PROPOSED AMENDMENTS

TO THE

INSURANCE ACT

AND

INSURANCE (MOTOR VEHICLE) ACT

June, 2003

Ministry of Finance

Purpose

The purpose of this discussion paper is to seek comment and public input on proposed changes to the *Insurance Act* (IA) and the *Insurance (Motor Vehicle) Act* (IMVA) required to implement decisions taken in the Core Services Review of the Insurance Corporation of British Columbia (ICBC).

The proposed changes are important because the IA and the IMVA affect virtually every British Columbian as a driver or as a passenger in an automobile. The proposed changes are generally complex and technical in nature. Comment is particularly sought from the legal community and insurance industry to ensure that the proposed changes are effective.

Written comments may be provided until September 15, 2003. Comments may be submitted to the Financial and Corporate Sector Policy Branch of the Ministry of Finance by any of the following methods:

- by e-mail to: fcsp@gems7.gov.bc.ca
- by fax to: (250) 387-9093
- by mail to: PO Box 9418 Stn Prov Govt
  Victoria BC V8W 9V1

Background

In November 2002, the Government of British Columbia released its Core Services Review decisions related to ICBC (see http://www.gov.bc.ca/prem/down/icbc_news_11_22.pdf).

In general terms, the decisions were to retain ICBC as the monopoly provider of basic or mandatory automobile insurance in British Columbia, to establish an independent regulator to oversee basic insurance rates and service levels, and to enhance competition in the optional automobile insurance market. Currently optional automobile insurance can be provided by ICBC or private insurers. ICBC holds over 90% of the optional automobile insurance market.

Basic automobile insurance is known as "universal compulsory automobile insurance" in the IMVA and is the insurance required for every vehicle and driver licensed under the *Motor Vehicle Act*. Basic coverage includes:

1. Third party legal liability insurance coverage in the amount of $200,000 per occurrence, unless the vehicle is

   - a taxi or limousine-use vehicle, a bus or a commercial motor vehicle in excess of 5,000 kg. GVW in which case the coverage is $1,000,000, or

   - a commercial motor vehicle in excess of 5,000 kg. GVW in certain rate classes that is used for the transportation of dangerous goods, in which case the coverage is $2,000,000.

2. Accident benefits coverage that includes death, medical and disability benefits in prescribed amounts (including medical and rehabilitation benefits to a maximum of $150,000).

3. Uninsured motorist coverage of $200,000 per occurrence for accidents occurring in BC.

4. Hit and Run coverage that provides coverage of $200,000 per occurrence for accidents occurring in BC.

5. Underinsured Motorist coverage that provides up to $1,000,000 coverage per insured person in excess of the insurance limits carried by the liable party.

6. Inverse Liability coverage that provides for the third party legal liability coverage of the insured to stand in the place of a liable third party's legal liability coverage to provide recovery of collision losses in jurisdictions where actions to recover collision damage from third parties are barred by law.

7. Uninsured and Hit and Run coverage of $200,000 each per occurrence limited to bodily injury losses only, for accidents occurring in Nunavut, the Yukon Territory, the Northwest Territories and the United States of America.

8. Where the insured is a garage service operator, own damage coverage for customer's vehicles in the care, custody or control of the garage service operator where the garage service operator is legally liable for damage to the customer's vehicle.

Optional automobile insurance is any automobile insurance that does not fall within the ambit of basic automobile insurance. Some optional coverage is in the nature of extensions of basic insurance coverage. Examples are extended third party liability insurance, which extends the limit of the basic third party liability insurance to an amount greater than the $200,000 basic insurance limit or extended underinsured motorist coverage. Other types of optional coverage include coverage for risks not insured at all by basic coverage, such as collision and comprehensive property damage coverage, and certain types of liability coverage, such as non-owner's liability insurance.

The regulatory requirements to implement the Core Services Review decisions have been included in the *Insurance Corporation Amendment Act, 2003* (Bill 58) which was passed in May 2003 (see http://www.legis.gov.bc.ca/37th4th/3rd_read/gov58-3.htm). Bill 58 makes the British Columbia Utilities Commission the regulator responsible for ICBC and regulates both basic automobile insurance and ICBC's competitive behaviour in the optional insurance market.

However, the current structure of the IA and IMVA acts as an impediment to enhanced competition in the optional automobile insurance market because it applies different approaches and different rights, duties and obligations to the insurance provided by ICBC as compared to insurance provided by private insurers.

In terms of approach, the IA establishes a legal framework within which insurers and insureds may enter into contracts of insurance. While the nature of those contracts is somewhat constrained by the legislation, its fundamental approach is one of governing insurance contracts. The IMVA, in contrast, is a legislative scheme under which rights, duties and obligations are directly imposed upon ICBC and its insureds. That is an effective way of ensuring consistency when basic automobile insurance is provided by a public monopoly.

However, when applied to optional insurance, it has the effect of providing those who purchase optional insurance from ICBC with a different kind of coverage than is provided by private insurers. In addition, it means that there is no ICBC optional automobile insurance policy – that "policy" is notionally the regulations under the IMVA and these are not routinely provided to insureds. Under the IA, every insured must receive a copy of the policy, the document which evidences the insurance contract.

In addition to differing in approach, the legislation also differs in substance. The IA has not been substantially amended since prior to the creation of ICBC. The IMVA and its regulations cover many of the same areas as the IA but there is usually a difference in wording, sometimes with a clear difference in intention and sometimes not.

The IA conflicts with the IMVA in certain sections because it includes a requirement for insurers to provide what was then the required mandatory insurance coverage, which was significantly less coverage than is currently included in the ICBC's basic automobile insurance. There are other conflicts that arise because the conditions under which a driver would be in breach of their insurance differ between the IA and the IMVA and its regulations. At present, those conflicts are generally resolved because there is a provision for the Superintendent to approve automobile insurance forms that are not consistent with the IA and, once approved, the forms take precedence over the legislation.

Proposed Changes

In general, the proposed changes are intended to change the IA/IMVA framework so that the IMVA is strictly limited to basic automobile insurance supplied by ICBC and the IA is applied to all optional automobile insurance contracts, whether supplied by ICBC or private insurers. In order to do that, the following is proposed:

- eliminate provisions in the IA that relate to basic insurance coverage,
- eliminate provisions in the IMVA that relate to optional automobile insurance, and
- make the provisions of the IA and its regulations consistent where appropriate with the provisions of the IMVA and its regulations.

There are two reasons for the proposed consistency:

- a key element of optional insurance is extended third party liability. It is important that this extension insurance be consistent with the basic insurance that underlies it; and
- the vast majority of British Columbians are currently covered by ICBC optional insurance and those that have private optional insurance have contracts that are more consistent with the ICBC provisions than with the existing IA provisions. To avoid inadvertently changing the nature of the coverage with which most British Columbians have become familiar, the proposed approach is to adopt the IMVA provisions wherever there is an inconsistency between the IA and the IMVA.

Once consistency is achieved via the proposed changes, the intention is to maintain consistency. To achieve this, consideration is being given to transferring much of the substance of the automobile insurance provisions in the IA into regulations under the IA, as much of the substance of the IMVA is provided in its regulations. As well, consideration is being given to mechanisms that would maintain consistency between the regulations.

One possible mechanism is to describe third party liability insurance in the IA relative to basic insurance. That is, the IA would treat any optional third party liability insurance as a simple extension of the basic liability coverage unless the insurance contract specifies otherwise. The IA would allow for exclusions from the basic coverage and coverage of third party liability risk that is not included in basic insurance, and require all exclusions to be specifically noted on the front of the policy. Another possible mechanism is to establish a single set of regulations that apply under both the IA and the IMVA.

The current IA also includes two types of regulatory provisions. One is that all automobile insurance forms (including policies) must be approved by the Superintendent of Financial Institutions. Superintendent approval has allowed optional insurance to continue to be provided by private insurers in spite of the outdated provisions of the IA. However, with an updated IA, there does not appear to be a compelling reason for continuing regulatory approval of optional automobile insurance forms given that no other type of insurance is subject to such regulation. Therefore, it is proposed that the regulatory approval requirement be repealed. However, in the event that repeal of the approval requirement gives rise to future problems, it is proposed that provision be made for subsequent implementation of a similar mandatory forms approval scheme by regulation.

The second type of regulatory provision relates to the regulation of optional automobile insurance premiums. This provision has not been used by the regulator for many years, and there is no intention to apply it at this time. Therefore, it is proposed that this provision also be repealed.

The following table provides the existing legislation, proposed amendments and an explanation of what the amendments are intended to achieve. Comments are welcome on both the proposed approach and the details of the specific amendments being proposed.

It should be noted that changes to the proposed amendments are expected as a result of these consultations, and the amendments ultimately introduced in the Legislature may differ from those proposed in this paper.

Current Provision	Proposed Amendment / Reason
Part 1 — Definitions, Interpretation and Application of Act **Definitions and interpretation** 1 (1) In this Act: **"automobile"** means (a) a motor vehicle as defined in the *Insurance (Motor Vehicle) Act*, and (b) a trailer as defined in the *Insurance (Motor Vehicle) Act*, and includes the machinery, equipment or apparatus mounted on or attached to it; but does not include a motor vehicle or trailer or class of them that is excluded or exempted from the operation of the *Insurance (Motor Vehicle) Act* or regulations made under it; **"business authorization"** means a business authorization under the *Financial Institutions Act*; **"contract"** means a contract of insurance and includes a policy, certificate, interim receipt, renewal receipt or writing evidencing the contract, whether sealed or not, and a binding oral agreement; **"corporation"** includes any incorporated company, association or society, wherever incorporated; **"insurance"** means the undertaking by one person to indemnify another person against loss or liability for loss in respect of a certain risk or peril to which the object of the insurance may be exposed, or to pay a sum of money or other thing of value on the happening of a certain event; **"insurance money"** means the amount payable by an insurer under a contract, and includes all benefits, surplus, profits, dividends, bonuses and annuities payable under the contract; **"insurer"** means the person who undertakes, agrees or offers to undertake, a contract; **"licence"** means a licence under Division 2 of Part 6 of the *Financial Institutions Act*; **"motor vehicle liability policy"** means a policy or part of a policy of automobile insurance evidencing a contract insuring (a) the owner or driver of an automobile, or (b) a person who is not the owner or driver if the automobile is being used or operated by the person's employee or agent or any other person on the person's behalf	**The proposed changes to the definitions are needed make the IA and IMVA consistent. The definition of automobile is made consistent with the IMVA by deleting reference to attached machinery and equipment but that will not affect the insurance of attached machinery equipment because of changes to the definition of automobile insurance (see paragraph (b) of the new definition). It is proposed that the definition of automobile insurance be moved from the Insurance Classes Regulation and amended. It is also proposed that the definitions of "motor vehicle liability policy," "non-owner's policy" and "owner's policy" be repealed and re-enacted in Part 6, since the terms are only used in that part.** ***Section 1 of the Insurance Act, R.S.B.C. 1996, c. 226, is amended*** ***(a) in the definition of* "automobile" *by striking out*** "and includes the machinery, equipment or apparatus mounted on or attached to it;", ***(b) by adding the following definition:*** **"automobile insurance"** means insurance (a) against liability arising out of (i) bodily injury to or the death of a person, or (ii) loss of or damage to property caused by an automobile or the use or operation of it, or (b) against loss of or damage to an automobile or the machinery, equipment or apparatus mounted on it and the loss of use of them, and includes other accident insurance if the accident is caused by an automobile or the use or operation of it, whether liability exists or not, if the contract also includes insurance described in paragraph (a), but does not include (c) insurance relating to (i) an automobile for which, or for the use or operation of which, a permit or licence is not required under the *Motor Vehicle Act*, or (ii) any operation, use or loss of use of an automobile excluded by order of the Lieutenant Governor in Council, (d) reinsurance undertaken by one insurer for liability for loss or damage assumed by another insurer, or

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against liability arising out of bodily injury to or the death of a person or loss or damage to property caused by an automobile or the use or operation of it; **"mutual company"** means a corporation formed under the *Mutual Fire Insurance Companies Act;* **"non-owner's policy"** means a motor vehicle liability policy insuring a person solely in respect of the use or operation by the person or on the person's behalf of an automobile that is not owned by the person; **"officer"** includes any director, manager, treasurer or secretary of an insurer, and any other member of the managing body of an insurer by whatever name called; **"owner's policy"** means a motor vehicle liability policy insuring a person in respect of the ownership, use or operation of an automobile owned by him or her and within the description or definition of it in the policy and, if the contract so provides, in respect of the use or operation of any other automobile; **"person"** includes corporation, unincorporated society or association, partnership, any group of underwriters and a Lloyd's association; **"policy"** means the instrument evidencing a contract; **"premium"** means the single or periodical payment under a contract for the insurance, and includes dues, assessments and other consideration; **"prescribed"** means prescribed by this Act or the regulations; **"property"** includes profits, earnings and other pecuniary interests, and expenditure for rents, interest, taxes and other outgoings and charges, and in respect of inability to occupy the insured premises, but only to the extent of express provision in the contract; **"superintendent"** means the Superintendent of Financial Institutions under the *Financial Institutions Act.* (2) The Lieutenant Governor in Council may, on the recommendation of the minister, make regulations determining and defining, for the purpose of this Act, and the *Financial Institutions Act,* what is deemed to be a distinct class of insurance and the nature of each class of insurance.	damage assumed by another insurer, or (e) insurance against liability arising out of (i) bodily injury to or the death of a person, or (ii) loss of or damage to property caused directly or indirectly by the use or operation of the machinery, apparatus or equipment mounted on or attached to an automobile; ***, and*** *(c)* ***by repealing the definitions of*** "motor vehicle liability policy", "non-owner's policy" ***and*** "owner's policy".

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Part 2 — General Provisions **Application of Part** **3** This Part has effect, despite any law or contract to the contrary, except that (a) if any section or statutory condition contained in Part 3, 4, 5, 6 or 7 is applicable and deals with a subject matter that is the same as or similar to any subject matter dealt with by this Part, this Part does not apply, and (b) sections 6 to 14, 17 and 25 do not apply in the case of a contract to which the Insurance (Marine) Act applies.	**It is proposed that this section be amended to reflect the fact that there may be regulations under other parts of the IA which also override general provisions set out in Part 2. Alternative wording is also being considered which would be to the effect that, if there is any conflict between a provision in Part 2 and any other provision in the legislation or regulations, the other provision prevails.** ***Section 3 (a) is repealed and the following substituted:*** (a) if any section or statutory condition contained in Part 3, 4, 5, 6 or 7 or in regulations made under or in relation to one of those Parts is applicable to and deals with a subject matter that is the same as or similar to any subject matter dealt with by this Part or regulations made under or in relation to this Part, this Part or the regulations made under this Part, as the case may be, does not apply, and.
Part 4 — Accident and Sickness Insurance **Application of Part** **82** (1) Despite any agreement, condition or stipulation to the contrary, this Part applies to a contract made in British Columbia on and after October 1, 1970 and sections 81 to 84, 91, 94 to 96, 100 and 102 to 118 apply also to a contract made in British Columbia before that day. (2) Sections 178 to 181, 183, 190 and 193 of Part V of the Insurance Act, R.S.B.C. 1979, c. 200, in force immediately before October 1, 1970 apply to a contract made in British Columbia before that day. (3) This Part does not apply to any of the following: (a) accidental death insurance; (b) creditor's group insurance; (c) disability insurance; (d) insurance provided by a contract of automobile insurance under section 167, 168 or 169.	**It is proposed that this section be amended consequential to the repeal of section 167 to 169. The proposed amendment is not intended to change the effect of the current section 82, which is to ensure that Part 6 rather than Part 4 applies to personal accident insurance coverage within an automobile insurance contract.** ***Section 82 (3) is amended by repealing paragraph (d) and substituting the following:*** (d) insurance provided by a contract of automobile insurance.

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Part 6 — Automobile Insurance	**Name of the Part changed for clarity to "Optional Automobile Insurance".**
Definitions **132** In this Part: **"assigned risk plan"** means the British Columbia Assigned Risk Plan as presently constituted and operated by insurers authorized under a business authorization to issue motor vehicle liability policies; **"contract"** means a contract of automobile insurance, and includes a policy, certificate, interim receipt, renewal receipt, or writing evidencing the contract, whether sealed or not, and a binding oral agreement; **"insured"** means a person insured by a contract, whether named or not.	**It is proposed that the definition of "contract" be clarified as part of the changes needed to limit application of Part 6 to optional automobile insurance. In support of that, a definition of "optional automobile insurance" is proposed. Although not done in this draft, consideration is being given to changing the term "contract" to "contract of optional automobile insurance" in this section and throughout Part 6. As indicated above, it is proposed that other definitions be moved from section 1 because the terms are only used in this Part.** ***Section 132 is amended*** ***(a) by repealing the definition of* "assigned risk plan",** ***(b) by repealing the definition of* "contract" *and substituting the following:*** "**contract**" means a contract of optional automobile insurance, and (a) includes a policy, certificate, interim receipt, renewal receipt, or writing evidencing the contract, whether sealed or not, and a binding oral agreement, but (b) does not include a contract insuring only against (i) loss of or damage to an automobile while in or on described premises, (ii) loss of or damage to property carried in or on an automobile, (iii) liability for loss of or damage to property carried in or on an automobile, or a contract (iv) that provides insurance in respect of a vehicle as defined in the *Motor Vehicle Act* that is not required to be licensed or insured under that Act, unless the contract provides that this Part applies, or (v) insuring solely the interest of a person who has a lien on, or has as security legal title to, an automobile and who does not have possession of the automobile. **, *and***

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	(c) by adding the following definitions: **"motor vehicle liability policy"** means a policy or part of a policy of optional automobile insurance evidencing a contract insuring (a) the owner or driver of an automobile, or (b) a person who is not the owner or driver if the automobile is being used or operated by the person's employee or agent or any other person on the person's behalf against liability arising out of bodily injury to or the death of a person or loss or damage to property caused by an automobile or the use or operation of it; **"non-owner's policy"** means a motor vehicle liability policy insuring a person solely in respect of the use or operation by the person or on the person's behalf of an automobile that is not owned by the person; **"optional automobile insurance"** means automobile insurance other than universal compulsory automobile insurance under the *Insurance (Motor Vehicle) Act*; **"owner's policy"** means a motor vehicle liability policy insuring a person in respect of the ownership, use or operation of an automobile owned by him or her and within the description or definition of that automobile in the policy and, if the contract so provides, in respect of the use or operation of any other automobile.

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Application of Part **133** (1) This Part applies to contracts providing automobile insurance made or renewed in British Columbia on or after January 1, 1970, or an earlier date if set by the Lieutenant Governor in Council. (2) This Part does not apply to contracts insuring only against (a) loss of or damage to an automobile while in or on described premises, (b) loss of or damage to property carried in or on an automobile, or (c) liability for loss of or damage to property carried in or on an automobile. (3) This Part does not apply to a contract providing insurance in respect of an automobile chiefly used or operated off highways unless it is insured under a contract evidenced by a form of policy approved under this Part. (4) This Part does not apply to a contract insuring solely the interest of a person who has a lien on, or has as security legal title to, an automobile and who does not have possession of the automobile. (5) Every insurer authorized under a business authorization to issue motor vehicle liability policies must subscribe to the assigned risk plan and is bound by any and all provisions governing subscribers. (6) The assigned risk plan must file with the superintendent a copy of its constitution, bylaws and rules, and any amendments, not later than 10 days after they are made.	**The proposed approach to this section is to use the definition of "contract" to determine what the Part applies to rather than to say the Part applies to all contracts and then disapply it to certain contracts. The intention is that the new provisions apply to contracts that take effect after the changes are made, regardless of when the contracts are entered into. Are further changes needed to ensure that multi-peril policies that include some coverage that is optional automobile insurance and some that is not, are governed appropriately under the Act?** ***Section 133 is amended*** ***(a) by repealing subsection (1) and substituting the following:*** (1) This Part applies to a contract made or renewed in British Columbia that takes effect on or after the date [sections X to X] come into force. , ***(b) by repealing subsection (3) and substituting the following:*** (3) This Part does not apply to a contract that provides insurance in respect of an automobile not required to be licensed or insured under the *Motor Vehicle Act*, unless the contract provides that this Part applies. , ***and*** ***(c) by repealing subsections (5) and (6).***
Approval of forms **134** (1) An insurer must not use a form of application, policy, endorsement or renewal or continuation certificate in respect of automobile insurance other than a form approved by the superintendent. (2) An insurer may require additional information in an approved application form, but the additional information does not constitute part of the application for the purposes of section 137. (3) If, in the opinion of the superintendent, any of this Part, including any statutory condition, is wholly or partly inappropriate to the requirements of a contract or is inapplicable by reason of the requirements of any Act, the superintendent may approve a form of policy, or part of it, or endorsement evidencing a contract sufficient or	**As it is proposed that the regulatory approval of forms be moved to regulations, it is proposed that most of this section be repealed. Subsection (9) is retained as a necessary provision.** ***Section 134 (1) to (8) and (10) is repealed.***

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appropriate to insure the risks required or proposed to be insured, and the contract evidenced by the policy or endorsement in the form so approved is effective and binding according to its terms even if those terms are inconsistent with, vary, omit or add to any provision or condition of this Part. (4) Except as to matters referred to in section 146, the superintendent may, if he or she considers it to be in the public interest, approve a form of motor vehicle liability policy or endorsement that extends the insurance beyond that prescribed in this Part. (5) The superintendent, in granting an approval under subsection (4), may require the insurer to charge an additional premium for the extension and to state that fact in the policy or in any endorsement. (6) The superintendent may revoke an approval given under this section, and, on notification of the revocation in writing, an insurer must not use or deliver a form that contravenes the notification. (7) The superintendent must, on request of any interested insurer, specify in writing his or her reasons for granting, refusing or revoking an approval of a form. (8) An insurer that issues or delivers a motor vehicle liability policy in British Columbia, or any renewal of it, or any evidence of the continuation of the contract, must issue to the insured a card evidencing the insurance, and the card must be in a form approved by the superintendent. (9) An insurer that issues a motor vehicle liability policy outside British Columbia must file with the superintendent, in a form prescribed by the superintendent, (a) a power of attorney authorizing the superintendent to accept service of notice or process for itself in any action or proceeding against it arising out of a motor vehicle accident in British Columbia, and (b) an undertaking (i) to appear in any action or proceeding against it or its insured arising out of a motor vehicle accident in British Columbia, and of which it has knowledge, (ii) that on receipt from the superintendent of any notice or process served on him or her in respect of its insured, or in respect of its insured and another or others, and sent by the superintendent to it as provided, it will immediately have the notice or process personally served on its insured, and (iii) not to set up any defence to any claim, action or proceeding, under a motor vehicle liability policy issued by it, that might not be set up if the policy has been issued	

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in British Columbia in accordance with the law of British Columbia relating to motor vehicle liability policies, and to satisfy up to the limits of liability stated in the policy, and in any event to an amount not less than the limits of liability set by this Part any judgment rendered against it or its insured by a court in British Columbia in that action or proceeding. (10) The superintendent may prescribe the minimum limits of accident insurance benefits that must be provided in every contract evidenced by a motor vehicle liability policy.	
Copy of application in policy **136** (1) A copy of the written application, signed by the insured or the insured's agent, or, if no signed application is made, a copy of the purported application, or a copy of that part of the application or purported application material to the contract, must be embodied in, endorsed on or attached to the policy when issued by the insurer. (2) If no signed written application is received by the insurer prior to the issue of the policy, the insurer must deliver or mail to the insured named in the policy, or to the agent for delivery or mailing to the insured, a form of application to be completed and signed by the insured and returned to the insurer. (3) The insurer must deliver or mail to the insured named in the policy, or to the agent for delivery or mailing to the insured, the policy or a true copy of it and every endorsement or other amendment to the contract. (4) If a written application signed by the insured or the insured's agent is made for a contract, the policy evidencing the contract is deemed to be in accordance with the application unless the insurer points out in writing to the insured named in the policy in what respect the policy differs from the application, and in that event the insured is deemed to have accepted the policy unless within one week from the receipt of the notification the insured informs the insurer in writing that the insured rejects the policy. (5) On every application form and policy there must be printed or stamped in conspicuous type a copy of section 137 (1).	**A new subsection is proposed to enable use of electronic documents. No other change is proposed.** ***Section 136 is amended by adding the following subsection:*** (1.1) In this section, a reference to a written application that is signed by the insured or the insured's agent includes an electronic application with an electronic signature of the insured or the insured's agent.

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Misrepresentation or violation of conditions renders certain claims invalid **137** (1) If (a) an applicant for a contract (i) gives false particulars of the described automobile to be insured to the prejudice of the insurer, or (ii) knowingly misrepresents or fails to disclose in the application any fact required to be stated in it, (b) the insured contravenes a term of the contract or commits a fraud, or (c) the insured wilfully makes a false statement in respect of a claim under the contract, a claim by the insured is invalid and the right of the insured to recover indemnity is forfeited. (2) A statement of the applicant must not be used in defence of a claim under the contract unless it is contained in the signed written application or, if no signed written application is made in the purported application, or part of it, that is embodied in, endorsed on or attached to the policy. (3) A statement contained in the purported copy of the application, or part of it, other than a statement describing the risk and the extent of the insurance, must not be used in defence of a claim under the contract unless the insurer proves that the applicant made the statement attributed to the applicant in the purported application, or part of it.	**It is proposed that this section be replaced by a new section based on section 19 of the IMVA, for consistency. The intent of the new provision is the same as the current section 137, except that its application is broader since it extends the provision to "a person claiming through or on behalf of."** *Section 137 (1) is amended* *(a) by repealing subsection (1) and substituting and the following:* (1) If (a) an applicant for a contract (i) to the prejudice of the insurer, has falsely described the automobile in respect of which the application is made, or (ii) knowingly misrepresents or fails to disclose in the application a fact required to be stated in it, (b) an insured violates a term or condition of the contract or commits a fraud, or (c) an insured makes a willfully false statement with respect to a claim under the contract, all claims by or in respect of the applicant or the insured are rendered invalid, and his or her right and the right of a person claiming through or on behalf of or as a dependant of the applicant or the insured to insurance money is forfeited. , *and* *(b) by adding the following subsection:* (4) Nothing in this section prevents an insurer from requesting in an application form information that is additional to that required [by the regulations], but subsection (1) does not apply to the additional information.
Statutory conditions **138** (1) Subject to section 134 (3), and sections 139, 164 and 165, (a) the conditions set out in this section are statutory conditions and are deemed to be part of every contract and must be printed in every policy with the heading "Statutory Conditions", and	**For consistency, the intention is to adopt provisions from the IMVA regulations, with the necessary changes, for most of the Statutory Conditions. To allow the provisions to be kept consistent over time, the provisions must be in regulation (Ontario already does this)** **The sections of the IMVA regulations to be used include sections 9, 55, 58, 76, 97, 117 (a) and (c), 134, 137, 139 (b), 142.1, 143, 144 and 145.**

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(b) no variation or omission of or addition to a statutory condition is binding on the insured. (2) In this section, "policy" does not include an interim receipt or binder. **STATUTORY CONDITIONS** In these statutory conditions, unless the context otherwise requires, the word "insured" means a person insured by this contract whether named or not.	**For brevity, the existing Statutory Conditions have not been included for comparison.** ***Section 138 is repealed and the following substituted:*** **Statutory conditions in contracts** **138** (1) In this section, **"policy"** does not include an interim receipt or binder. (2) The Lieutenant Governor in Council may, by regulation, prescribe statutory conditions for contracts. (3) Subject to sections 164 and 165, subsection (4) of this section and regulations made under section [X-regulation-making powers supplanting section 134 – allowing the superintendent to approve a different form of policy], (a) statutory conditions prescribed under subsection (2) are deemed to form part of every contract and must be printed on every policy issued on or after the effective date of the statutory conditions with the heading "Statutory Conditions", and (b) no variation or omission of or addition to a statutory condition is binding on the insured. **(4)** A regulation under subsection (2) may provide that any or all of the statutory conditions prescribed by that regulation do not form part of a type, category or one or more specified classes of contract and need not be printed on a policy if the contract does not insure against a loss or liability that is specified in the regulations.
Exceptions respecting statutory conditions **139** (1) Except as otherwise provided in the contract, the statutory conditions set out in section 138 do not apply to insurance coming within section 167, 168 or 169. (2) If a contract does not insure against liability for loss or damage to persons and property, statutory condition 3 in section 138 is not a part of the policy and may be omitted from the printing of the conditions in the policy.	**It is proposed that this section be repealed consequential to putting this authority in the regulation-making power contained in the revised section 138 above.** ***Section 139 is repealed.***

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the printing of the conditions in the policy.	
Coverage of owner's policy, specific automobile **140** (1) Every contract evidenced by an owner's policy insures the person named in it and every other person who with his or her consent personally drives an automobile owned by the insured named in the contract and within the description or definition of it in the contract against liability imposed by law on the insured named in the contract or that other person for loss or damage (a) arising from the ownership, use or operation of the automobile, and (b) resulting from bodily injury to or the death of any person, and damage to property. (2) If the contract evidenced by an owner's policy also provides insurance against liability in respect of an automobile not owned by the insured named in the contract, an insurer may stipulate in the contract that the insurance is restricted to those persons specified in the contract. (3) If the insured named in an owner's policy dies, the following persons are deemed to be the insured under the policy: (a) the spouse of the deceased insured if residing in the same dwelling premises at the time of his or her death; (b) in respect of the described automobile, a newly acquired automobile that was acquired by the deceased insured prior to his or her death and a temporary substitute automobile, all as defined by the policy, (i) any person having proper temporary custody until grant of probate or administration to the personal representative of the deceased insured, (ii) the personal representative of the deceased insured.	**This proposed amendment replaces the description of third party liability insurance with a description that uses basic third party liability as the point of reference. Unless specified, optional third party liability coverage will be a direct extension of the basic coverage.** ***Section 140 is repealed and the following substituted:*** **Coverage of owner's policy, specific automobile** **140** (1) Subject to the regulations, a contract evidenced by an owner's policy with respect to an automobile that is required to be registered, licenced and insured under section 3 of the *Motor Vehicle Act* may (a) extend the coverage of a specified certificate issued under the *Insurance (Motor Vehicle) Act* to a limit in excess of that provided by the certificate for every insured who is named in the contract, or (b) provide coverage that is not provided by a specified certificate issued under the *Insurance (Motor Vehicle) Act*, provided that the coverage is not prohibited by regulation. (2) A contract evidenced by an owner's policy referred to in subsection (1) may provide for exclusions of persons or risks specified in the contract and if the contract provides for those exclusions, it must have printed or stamped on its face in bold type lettering that is at least 12 points in size the words "This policy contains exclusions from third party liability coverage" and unless these words are so printed or stamped the exclusions are not binding on the insured. (3) Despite any provision in a contract extending the limit of coverage of an owner's certificate under subsection (1) (a), the contract ends if the coverage provided by the certificate ends. (4) Provision of insurance or coverage that is prohibited by the regulations is null and void. (5) Despite any provision of this Act or the regulations, an insurer may provide by endorsement to a contract evidenced by an owner's policy respecting a vehicle that is not required to be licenced and insured under the *Motor Vehicle Act* that the insurer is not liable for loss or

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	damage resulting from circumstances specified in the endorsement.
Territorial limits **143** Insurance under sections 140 and 141 applies to the ownership, use or operation of the insured automobile in Canada and the United States of America and on a vessel plying between ports of those countries.	**The proposed change to this section has the effect of ensuring that the territorial limits apply to all optional automobile insurance, not just liability insurance, consistent with the IMVA.** ***Section 143 is amended by striking out*** "under sections 140 and 141" ***and substituting*** "under a contract".
Rights of unnamed insured **144** A person insured by but not named in a contract to which section 140 or 141 applies may recover indemnity in the same manner and to the same extent as if named in it as the insured, and for that purpose is deemed to be a party to the contract and to have given consideration for it.	**The proposed change to this section is intended to make it consistent with the IMVA. It has the effect of broadening the application of the provision beyond liability insurance.** ***Section 144 is repealed and the following substituted:*** **Unnamed insured** **144** (1) A person insured by, but not named in, a contract may recover indemnity in the same manner and to the same extent as if the person were the named insured in the contract. (2) For the purposes of subsection (1), the person referred to in that subsection, in his or her own name and on his or her own behalf, may exercise the same rights and is subject to the same obligations as the insured as if the person were named in the contract.
Additional agreements **145** Every contract evidenced by a motor vehicle liability policy must provide that if a person insured by the contract is involved in an accident resulting from the ownership, use or operation of an automobile in respect of which insurance is provided under the contract and resulting in loss or damage to persons or property, the insurer must do the following: (a) on receipt of notice of loss or damage caused to persons or property, make such investigations, conduct such negotiations with the claimant, and effect such settlement of any resulting claims as are deemed expedient by the insurer; (b) defend in the name and on behalf of the insured and at the cost of the insurer any civil action that is at any time brought against the insured on account of loss or	**It is proposed that this section be repealed and replaced with regulations consistent with sections 69, 74 and 74.1 of the IMVA regulations.** ***Section 145 is repealed.***

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damage to persons or property; (c) pay all costs taxed against the insured in any civil action defended by the insurer and any interest accruing after entry of judgment on that part of the judgment that is within the limits of the insurer's liability; (d) if the injury is to a person, reimburse the insured for outlay for the medical aid that is immediately necessary at the time.	
Exceptions from liability **146** (1) The insurer is not liable under a contract evidenced by a motor vehicle liability policy for any liability (a) imposed by worker compensation law on any person insured by the contract, (b) resulting from bodily injury to or the death of (i) the daughter, son, wife or husband of any person insured by the contract while being carried in or on or entering or getting on to or alighting from the automobile, or (ii) any person insured by the contract, or (c) resulting from bodily injury to or the death of any employee of any person insured by the contract while engaged in the operation or repair of the automobile. (2) Subsection (1) (b) applies only if the injury or death occurred before April 17, 1985.	**It is proposed that subsections (1) a) and (c) be replaced by regulations consistent with regulations under the IMVA and that subsections (1) (b) and (2) be repealed when they are spent, in April, 2007. The latter is accomplished in the Commencement section at the end of the proposed IMVA amendments.** ***Section 146 is amended by repealing subsection (1) (a) and (c),***
New Section	**It is proposed that a new section 146.1 be added, consistent with the current section 13 of the IMVA. This will ensure that the evidentiary burden will be the same in all proceedings related to automobile insurance, whether basic or optional, when the question of whether a driver was intoxicated arises.**

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	The following section is added: **Proof of intoxication** **146.1** (1) In an action, cause or proceeding in which a contract is invoked and it is material to establish that a person using or operating a vehicle was doing so while under the influence of intoxicating liquor or drugs to an extent as to be for the time being incapable of the proper control of the vehicle, there must be received, as admissible evidence on the issue, proof that the person was convicted of an offence committed at the material time under section 253 or 254 (5) of the *Criminal Code*, whether or not that person (a) is a party to the action, cause or proceeding, (b) is a witness at the trial, or (c) has first been questioned as to whether he or she has been convicted of that offence. (2) For the purpose of subsection (1), a certificate containing only the substance and effect of the conviction and purporting to be signed by the officer having custody of the records of the court in which the person was convicted or by the officer's deputy is on proof of the identity of the person convicted sufficient evidence of the conviction without proof of the signature or official character of the person by whom the certificate purports to have been signed.
Other exceptions from liability **148** The insurer may provide under a contract evidenced by a motor vehicle liability policy, in either or both of the following cases, that it is not liable (a) to indemnify any person engaged in the business of selling, repairing, maintaining, servicing, storing or parking automobiles for any loss or damage sustained while engaged in the use or operation of or while working on the automobile in the course of that business unless the person is the owner of the automobile or is the owner's employee, or (b) for loss of or damage to property carried in or on the automobile or to any property owned or rented by or in the care, custody or control of the insured.	**It is proposed that this section be repealed and replaced by the new section 140 (4) (above).** ***Section 148 is repealed.***

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Idem **149** Subject to the limitations and exclusions of the endorsement, the insurer may provide by endorsement to a contract evidenced by a motor vehicle liability policy, in either or both of the following cases, that it is not liable for loss or damage (a) resulting from bodily injury to or the death of any person being carried in or on or entering or getting on to or alighting from the automobile, or (b) resulting from the ownership, use or operation of any machinery or apparatus, including its equipment, mounted on or attached to the automobile while the automobile is at the site of the use or operation of that machinery or apparatus.	**It is proposed that this section be repealed and replaced by the new section 140 (4) (above).** ***Section 149 is repealed.***
Idem **150** (1) The insurer may provide under a contract evidenced by a motor vehicle liability policy, in one or more of the following cases, that it is not liable while (a) the automobile is rented or leased to another person, (b) the automobile is used to carry explosives or to carry radioactive material for research, education, development or industrial purposes or for purposes incidental to them, (c) the automobile is used as a taxicab, public bus, livery, jitney or sightseeing conveyance or for carrying passengers for compensation or hire, (d) if the insured vehicle is an automobile, other than a trailer, it is used for towing a trailer owned by the insured unless like indemnity is also provided by the insurer in respect of the trailer, or (e) if the insured vehicle is a trailer, it is towed by an automobile owned by the insured unless like indemnity is also provided by the insurer in respect of the automobile. (2) In subsection, (1) (b) **"radioactive material"** means (a) spent nuclear fuel rods that have been exposed to radiation in a nuclear reactor, (b) radioactive waste material, (c) unused enriched nuclear fuel rods, or (d) any other radioactive material of such quantity and quality as to be harmful to persons or property if its container is destroyed or damaged. (3) Subsection (1) (a) does not include the use by an employee of his or her automobile on the business of his or her employer and for which he or she is paid.	**It is proposed that this section be repealed and replaced in part by the new section 140 (4) (above) and in part by regulations, including a regulation based on section 56 of the regulations under the IMVA.** ***Section 150 is repealed.***

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(4) Subsection (1) (c) does not include (a) the use by a person of his or her automobile for the carriage of another person in return for the former's carriage in the automobile of the latter, (b) the occasional and infrequent use by a person of his or her automobile for the carriage of another person who shares the cost of the trip, (c) the use by a person of his or her automobile for the carriage of a temporary or permanent domestic servant of the insured or his or her spouse, or (d) the use by a person of his or her automobile for the carriage of a client or customer or a prospective client or customer.	
New section	**It is proposed that a new section 150.1 be added based on section 19.1 of the IMVA. This will ensure that there is consistent treatment under both basic and optional insurance.** **Note that section 19.2 of the IMVA deals similarly with situations involving stolen vehicles. It has not been repeated in this Act because it is already applicable in cases related to optional and basic insurance, regardless of whether the insurer is ICBC or a private insurer.** ***The following section is added:*** **Limitation on recovery for acts of violence** **150.1** If the dominant cause of any injury or death is the use of any weapon or any object other than an automobile, used as a weapon, (a) the insurer is not liable under the contract or sections 158.1, to indemnify or to pay any benefit to or make any other payment to (i) the person using the weapon or object, (ii) the person suffering the injury or death, or (iii) a spouse, child, parent or personal representative of a person referred to in subparagraph (i) or (ii), and (b) the person using the weapon or object is not a designated defendant, as that term is defined in section 52 of the *Insurance (Motor Vehicle) Act* for the purposes of Part 3 of that Act.

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Contents of policy and limits **151** (1) Every contract evidenced by a motor vehicle liability policy insures, in respect of any one accident, to the limit prescribed by regulation, exclusive of interest and costs, against liability resulting from bodily injury to or the death of one or more persons. (2) Every contract evidenced by a motor vehicle liability policy insures, in respect of any one accident to the limit prescribed by regulation, exclusive of interest and costs, against liability resulting from loss or damage to property of nonresidents occurring inside or outside British Columbia. (3) The contract must be interpreted to mean that if, by reason of any one accident, liability results from bodily injury or death and from loss of or damage to property, (a) claims against the insured arising out of bodily injury or death have priority to the extent prescribed by regulation over claims arising out of loss of or damage to property, and (b) claims against the insured arising out of loss of or damage to property have priority to the extent prescribed by regulation over claims arising out of bodily injury or death. (4) The insurer may, instead of specifying a limit in the policy for an inclusive amount, specify a limit of liability prescribed by regulation, exclusive of interest and costs, against liability resulting from bodily injury to or the death of one or more persons and a limit of liability prescribed by regulation, exclusive of interest and costs, against liability resulting from loss of or damage to property. (5) Nothing in this Part precludes an insurer, with respect to a limit or limits in excess of those specified in subsection (1) or (4), from increasing or reducing the limit or limits specified in the contract with respect to the use or operation of the automobile by a named person, but no reduction is effective for a limit less than that required under subsection (1) or (4).	**It is proposed that this section be repealed. However, input is sought on whether the substance of subsection (3) needs to be retained and, if so, where that provision should be placed, possibly in the regulations.** ***Section 151 is repealed.***
Minimum benefits **152** Every contract evidenced by a motor vehicle liability policy must provide the accident insurance benefits to at least the limits set out in the Schedule, or as extended by the superintendent under section 134, to those persons referred to in section 169.	**It is proposed that this section be repealed because it deals only with minimum liability coverage, which relates only to basic insurance and is fully addressed by the IMVA.** ***Section 152 is repealed.***

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Stipulation in motor vehicle liability policy **153** (1) Every motor vehicle liability policy issued in British Columbia must provide that, in the case of liability arising out of the ownership, use or operation of the automobile in any province or territory of Canada, (a) the insurer is liable up to the minimum limits prescribed for that province or territory if those limits are higher than the limits specified in the policy, (b) the insurer must not set up any defence to a claim that might not be set up if the policy were a motor vehicle liability policy issued in that province or territory, and (c) the insured, by acceptance of the policy, constitutes and appoints the insurer the insured's irrevocable attorney to appear and defend in any province or territory of Canada in which an action is brought against the insured arising out of the ownership, use or operation of the automobile. (2) A provision in a motor vehicle liability policy in accordance with subsection (1) (c) is binding on the insured.	**It is proposed that the effect of this section be extended to the United States, consistent with the operation of the IMVA and its regulations.** ***Section 153 is amended*** ***(a) in subsection (1) by adding*** "or in the United States of America" ***after*** "Canada", ***and*** ***(b) in subsection (1) (c) by adding*** "or in the United States of America" ***after*** "Canada".
Liability when nuclear energy contract also in force **156** (1) In this section, **"nuclear energy hazard"** means the radioactive, toxic, explosive, or other hazardous properties of prescribed substances under the *Atomic Energy Control Act* (Canada). (2) If an insured is covered, whether named in it or not, under a contract evidenced by a motor vehicle liability policy for loss or damage resulting from bodily injury to or the death of any person or damage to property arising, directly or indirectly, out of a nuclear energy hazard and is also covered, whether named in it or not, against such loss or damage under a contract evidenced by a policy of nuclear energy hazard liability insurance issued by a group of insurers and in force at the time of the event giving rise to the loss or damage, (a) the motor vehicle liability insurance is excess to the nuclear energy hazard liability insurance, and the insurer under the contract of motor vehicle liability insurance is not liable to pay beyond the minimum limits prescribed by section 151, and (b) the unnamed insured under the contract of nuclear energy liability insurance may, in respect of such loss or damage, recover indemnity under that contract in the same manner and to the same extent as if named in it as the insured, and for that purpose the unnamed insured is deemed to be a party to the contract and to have given consideration for it.	**It is proposed that this section be repealed and that the matter be dealt with by regulation consistent with the treatment under the IMVA and regulations.** ***Section 156 is repealed.***

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(3) For the purpose of this section, a contract of nuclear energy hazard liability insurance is deemed to be in force at the time of the event giving rise to the loss or damage, even though the limits of liability under it have been exhausted.	
Application of insurance money under motor vehicle liability policy **159** (1) A person who has a claim against an insured for which indemnity is provided by a contract evidenced by a motor vehicle liability policy, even though the person is not a party to the contract, may, on recovering a judgment for it in any province or territory of Canada against the insured, have the insurance money payable under the contract applied in or towards satisfaction of the judgment and of any other judgments or claims against the insured covered by the contract and may, on behalf of himself or herself and all persons having those judgments or claims, maintain an action against the insurer to have the insurance money so applied. (2) An action must not be brought against an insurer under subsection (1) after the expiration of one year from the final determination of the action against the insured, including appeals, if any. (3) A creditor of the insured is not entitled to share in the insurance money payable under any contract unless the creditor's claim is one for which indemnity is provided for by that contract. (4) The right of a person who is entitled under subsection (1) to have insurance money applied on his or her judgment or claim is not prejudiced by (a) an assignment, waiver, surrender, cancellation or discharge of the contract, or of any interest in it or of the proceeds of it, made by the insured after the happening of the event giving rise to a claim under the contract, (b) any act or default of the insured before or after that event in contravention of this Part or of the terms of the contract, or (c) any contravention of the *Criminal Code* (Canada) or a Statute of any province or territory of Canada or of any state or the District of Columbia of the United States of America by the owner or driver of the automobile, and nothing mentioned in paragraph (a), (b) or (c) is available to the insurer as a defence in an action brought under subsection (1). (5) It is not a defence to an action under this section that an instrument issued as a motor vehicle liability policy by a person engaged in the business of an insurer and alleged by a party to the action to be such a policy is not a motor vehicle liability policy,	**It is proposed that sections 159, 160 and 161 be repealed and replaced by a new section 158.1 that is based on and generally consistent with section 21 of the IMVA. The result will be to change the policy under the IA to be consistent with the policy under the IMVA about so-called "absolute liability." Absolute liability is the requirement for the insurer to compensate the victim even if the insured is in breach of the conditions of insurance and the insurance is void. This provision imposes absolute liability on all insurers for personal injury and death but not property damage (subsections (4) and (5)). The proposed subsection (9) and subsections (16) to (18) differ from IMVA section 21 to recognize the different nature of optional insurance.** ***Sections 159, 160 and 161 are repealed and the following substituted:*** **Third party rights** **158.1** (1) In this section, **"claimant"** means a person who has a claim against an insured in respect of whom indemnity is provided by a contract evidenced by a motor vehicle liability policy. (1.1) A claimant is entitled, on recovering a judgment against the insured or a settlement with the insurer, to have the insurance money payable under the contract applied toward any judgment or claim against the insured covered by the indemnity. (1.2) If a settlement is not made, the claimant may, on behalf of himself or herself and all persons having judgments or claims against the insured covered by the indemnity maintain an action against the insurer to have the insurance money applied in accordance with subsection (1.1). (2) For the purpose of this section, the insurer may at any stage compromise or settle the claim. (3) A creditor of the insured is not entitled to share in the insurance money payable under any contract unless the creditor's claim is one for which indemnity is provided for by that contract. (4) No

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and this section applies, as far as applicable and with the necessary changes, to the instrument. (6) The insurer may require any other insurers liable to indemnify the insured in whole or in part in respect of judgments or claims to which reference is made in subsection (1) to be made parties to the action and contribute according to their respective liabilities, whether the contribution is rateably or by way of first loss or excess insurance, as the case may be, and the insured must on demand furnish the insurer with particulars of all other insurance covering the subject matter of the contract. (7) If any person has recovered a judgment against the insured and is entitled to bring action under subsection (1), and the insurer admits liability to pay the insurance money under the contract and the insurer considers that (a) there are or may be other claimants, or (b) there is no person capable of giving and authorized to give a valid discharge for payment who is willing to do so, the insurer may apply to the court without notice to any person for an order for payment of the money into court, and the court may, on notice, if any, as it thinks necessary, make an order accordingly. (8) The receipt of the proper officer of the court is sufficient discharge to the insurer for the insurance money paid into court under subsection (7), and the insurance money must be dealt with as the court may order on application of any interested person. **Defence to passenger claim and re excess limits relating to certain coverage** **160** (1) Despite anything in it to the contrary, every contract evidenced by a motor vehicle liability policy is, for the purposes of this section, deemed to provide all the types of coverage mentioned in section 150 (1) (a) to (e); but the insurer is not liable to a claimant in respect of coverage in excess of the limits mentioned in section 151. (2) If one or more contracts provide for coverage of a type referred to in section 148 or 149, except as provided in subsection (4), the insurer must not (a) with respect to that type of coverage, and (b) as against a claimant avail itself of any defence that it is entitled to set up against the insured. (3) If one or more contracts provide for coverage in excess of the limits referred to	(a) assignment, transfer, surrender, cancellation, suspension, waiver or discharge of the contract, or of an interest in it or of insurance money payable under it, made by the insured after the event giving rise to a claim under the contract occurs, (b) act or default of the insured before or after that event in contravention of this Part, the regulations or the terms of the contract, or (c) contravention of the *Criminal Code* or of a law or statute of any province, state or country by the owner or driver of the automobile designated in the contract prejudices the right of a person entitled under subsection (1.1) to have the insurance money applied toward his or her judgment or claim, or is available to the insurer as a defence to its action. (5) Despite subsection (4), an insurer may avail itself, against a person claiming under this section in respect of property damage, of any defence that the insurer is entitled to set up against the insured. (6) If an insurer has paid an amount to a person under this section, by way of settlement or otherwise, that it would not otherwise be liable to pay, and has personally delivered or forwarded by registered mail to the last known address of the insured a demand for reimbursement of that amount, the insured is liable to reimburse the insurer that amount, and the insurer may enforce the right by action in court. (7) If an insurer denies liability to an insured under a contract evidenced by a motor vehicle liability policy, it may issue and serve a third party notice and be made a third party in any action to which the insured is a party and in which a claim is made against the insured by a party with respect to which it is or might be asserted that indemnity is provided by the contract, whether or not the insured has filed a defence in the action. (8) On being made a party under subsection (7), the insurer has the right to contest the insured's liability to any party claiming against the insured, and to contest the amount of any claim made against the insured, as if it were a defendant in the action, including, for that purpose, the right to (a) deliver a statement of defence to the claim of any party claiming

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in section 151, except as provided in subsection (4), the insurer may, (a) with respect to the coverage in excess of those limits, and (b) as against a claimant, avail itself of any defence that it is entitled to set up against the insured, despite section 159 (4). (4) If a contract provides coverage of the type referred to in section 149 (a) in respect of an automobile operated in the business of carrying passengers for compensation or hire and insured for that purpose, the insurer may, (a) with respect to that type of coverage, and (b) as against a claimant, only avail itself of a defence that it is entitled to set up against the insured in respect of that part of the coverage, if any, that exceeds (c) the limits referred to in section 151, or (d) the minimum limits required for that type of coverage by or under any other Act, whichever is the greater. **Rights of insurer** **161** (1) The insured must reimburse the insurer on demand in the amount that the insurer has paid by reason of this section and that it would not otherwise be liable to pay. (2) If an insurer denies liability under a contract evidenced by a motor vehicle liability policy, it may issue and serve a third party notice and be made a third party in any action to which the insured is a party and in which a claim is made against the insured by any party to the action in which it is or might be asserted that indemnity is provided by the contract, whether or not the insured enters an appearance or defence in the action. (3) On being made a third party, the insurer may (a) contest the liability of the insured to any party claiming against the insured, (b) contest the amount of any claim made against the insured, (c) deliver any pleadings in respect of the claim of any party claiming against the	against the insured, (b) deliver other pleadings, (c) have production and discovery from any party adverse in interest, and (d) examine and cross examine witnesses at trial. (9) An insurer may avail itself of subsection (8) even though another insurer is defending in the name and on behalf of the insured an action to which its insured is a party. (10) If an insured agrees that the insurer would not, except for this section, be or become liable to make a payment in respect of a claim against the insured, he or she may at any time undertake to reimburse the insurer, by (a) giving a written undertaking to repay the insurer the amount paid by it, and (b) executing a consent to the payment by the insurer of that amount. (11) Subject to subsections (8) and (10), the insurer may, on payment of an amount under this section it would not otherwise be liable to pay, require an assignment of the judgment from the claimant in a form registrable under the land title legislation, to the extent of that payment. (12) If the insured fails to dispute his or her liability to reimburse the insurer within 30 days after demand for reimbursement under subsection (6), in writing delivered to the chief agency or head office of the insurer in British Columbia, the insurer is entitled to register the assignment under the land title legislation. (13) If the insurer has paid money in satisfaction of a claim, settlement or judgment under this section or by agreement under subsection (9), and the insured has not reimbursed the amount required under subsection (6) or (10) (a) the insurer may agree to accept payment in installments from a person indebted to it under this section, and (b) a person who is indebted to an insurer under this section may, on notice to the insurer, apply to the Supreme Court for an order

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insured, (d) have production and discovery from any party adverse in interest, and (e) examine and cross examine witnesses at the trial, to the same extent as if it were a defendant in the action. (4) An insurer may avail itself of subsection (3) even though another insurer is defending in the name and on behalf of the insured an action to which its insured is a party.	that he or she be permitted to pay the indebtedness in installments in amounts and at times determined by the court. (14) If (a) a person obtains a judgment against an insured and is entitled to bring an action under this section, and (b) the insurer admits liability to the insured under the contract but considers that (i) there are or may be other claimants, or (ii) there is no willing person capable of giving and authorized to give a valid discharge for payment, the insurer may apply to the court without notice to any person for an order for payment of the insurance money into court, and the court may so order, on the notice, if any, it considers necessary. (15) The receipt of the registrar or other proper officer of the court is a sufficient discharge to the insurer for money paid into court under subsection (14) and the money must be dealt with as the court orders on the application of any interested person. (16) An action must not be brought against an insurer under subsection (1.2) after the expiration of one year from the final determination of the action against the insured, including appeals, if any. (17) It is not a defence to an action under this section that an instrument issued as a motor vehicle liability policy by an insurer and alleged by a party to the action to be such a policy is not a motor vehicle liability policy, and this section applies, as far as applicable and with the necessary changes, to the instrument. (18) The insurer may require any other insurers liable to indemnify the insured in whole or in part in respect of judgments or claims to which reference is made in subsection (1.1) to be made parties to the action and contribute according to their respective liabilities, whether the contribution is rateably or by way of first loss or excess insurance, as the case may be, and the insured must on demand furnish the insurer with particulars of all other insurance covering the subject matter of the contract.

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Excess coverage **162** To determine the liability of an insurer under section 160 (1), excess coverage is deemed to be, (a) in respect of policies issued or renewed before July 1, 1958, coverage in excess of $5 000, exclusive of interest and costs, for loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit for any one person so injured or killed, of at least $10 000, exclusive of interest and costs, for loss or damage resulting from bodily injury to or the death of 2 or more persons in any one accident, or, in the case of property damage, to the limit of $1 000, exclusive of interest and costs, for damage to property resulting from any one accident, (b) in respect of policies issued or renewed between July 1, 1958 and May 31, 1961, inclusive, coverage in excess of $10 000, exclusive of interest and costs, against loss or damage resulting from bodily injury to or the death of any one person, and, subject to such limit for any one person so injured or killed, of at least $20 000, exclusive of interest and costs, against loss or damage resulting from bodily injury to or death of 2 or more persons in any one accident, or, in case of property damage, to the limit of at least $2 000, exclusive of interest and costs, for damage to property resulting from any one accident, (c) in respect of policies issued or renewed between June 1, 1961 and May 31, 1962, inclusive, coverage in excess of $25 000, exclusive of interest and costs, against loss or damage resulting from bodily injury to or the death of one or more persons and loss of or damage to property, (d) in respect of policies issued or renewed between June 1, 1962 and June 30, 1965, inclusive, coverage in excess of $35 000, exclusive of interest and costs, against loss or damage resulting from bodily injury to or the death of one or more persons and loss of or damage to property, and (e) in respect of policies issued or renewed after June 30, 1965, coverage in excess of the limits mentioned in section 151.	**It is proposed that this section be repealed as spent. Transitional wording will ensure that it still applies to contracts in force when the new provisions take effect, if any.** ***Section 162 is repealed.***
Stipulations in physical damage cover **164** Subject to section 134 (1), the insurer may provide in a contract those exclusions and limitations, in respect of loss of or damage to or the loss of use of the automobile, as it considers necessary.	**It is proposed that this section be amended consequentially to the repeal of section 134 (requiring that forms be approved by the Superintendent) and possible replacement of the section with regulations.** ***Section 164 is amended by striking out*** "Subject to section 134 (1), the insurer may provide" ***and substituting*** "Subject to regulations under section 188.1 (x) [regulations supplanting section 134], the insurer may provide".

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Partial payment of loss clause **165** (1) A contract or part of a contract providing insurance against loss of or damage to an automobile and the loss of use of it may contain a clause to the effect that, in the event of loss, the insurer must pay only (a) an agreed portion of any loss that may be sustained, or (b) the amount of the loss after deduction of a sum specified in the policy, and in either case not exceeding the amount of the insurance. (2) If a clause is inserted in accordance with subsection (1), there must be printed or stamped on the face of the policy in conspicuous type the words "This policy contains a partial payment of loss clause".	**No change is proposed to the policy but an amendment to subsection (2) is proposed in line with other similar provisions in the Act (c.f section 128)** ***Section 165 (2) is repealed and the following substituted:*** (2) If a clause is inserted in accordance with subsection (1), there must be printed or stamped on the face of the policy in bold type lettering that is at least 12 points in size the words "This policy contains a partial payment of loss clause" and unless these words are so printed or stamped the clause is not binding on the insured.
Claims to be adjusted with insured **166** (1) If a claim is made under any contract other than a contract evidenced by a motor vehicle liability policy, the insurer must, despite any agreement, adjust the amount of the claim with the insured named in the contract as well as with any person having an interest indicated in the contract. (2) If notice is given or proof of loss is made by a person other than the insured, because the insured cannot be located or neglects or refuses or is unable to give notice and make claim under statutory conditions 4 and 7 in section 138, the insurer may, despite subsection (1) but in any event not earlier than 60 days from delivery of the proof required under subcondition (1) (c) of statutory condition 4 adjust and pay the claim to the other person having an interest indicated in the contract.	**It is proposed that this section be repealed and replaced by a regulation similar to section 130 of the regulations under the IMVA. Input on whether it would be preferable to retain this section is requested.** ***Sections 166, 167, 168, 169, 170, 171, 172, 173, 174, 175 and 176 are repealed.***

Current Provision	Proposed Amendment / Reason
Uninsured motorist cover **167** (1) If an insurer provides in a contract insurance against loss resulting from bodily injury to or the death of a person insured arising out of an accident involving an automobile if (a) there is legal liability of another person for the injury or death, and (b) the other person has no insurance against that person's liability therefor or that person cannot be identified, that insurance applies only in respect of (c) any person who sustains bodily injury or death while driving, being carried in or on, or entering or getting on to or alighting from the described automobile in respect of which insurance of the class referred to in paragraph (a) of the definition "automobile insurance" in section 1 is provided under the contract, and (d) the insured named in the contract and his or her spouse and any dependent relative residing in the same dwelling premises as the insured named in the contract who sustains bodily injury or death while driving, being carried in or on, or entering or getting on to or alighting from or as a result of being struck by any other automobile that is defined in the contract for the purposes of that insurance. (2) The insurance mentioned in subsection (1) does not apply in respect of a person specified in it who has a right of recovery under legislation of any other province or territory of Canada or of any state or the District of Columbia of the United States of America similar to the *Traffic Victims Indemnity Fund Act, 1961*.	**It is proposed that this section be repealed as it is not part of optional automobile insurance.**

Current Provision	Proposed Amendment / Reason
Medical expense coverage and release **168** (1) If in a contract an insurer provides insurance against expenses for medical, surgical, dental, ambulance, hospital, professional nursing or funeral services, the insurance applies only in respect of reasonable expenses (a) of or incurred for any person who sustains bodily injury or death while driving or being carried in or on or entering or getting on to or alighting from or, if not the occupant of another automobile, as a result of being struck by an automobile owned by the insured named in the contract in respect of which insurance of the class mentioned in paragraph (a) of the definition of "automobile insurance" in section 1 is provided under the contract, and (b) of the insured named in the contract and his or her spouse and any dependent relative residing in the same dwelling premises as the insured named in the contract who sustains bodily injury or death while driving or being carried in or on or entering or getting on to or alighting from or as a result of being struck by any other automobile that is defined in the contract for the purposes of that insurance. (2) If an insurer makes a payment under a contract of insurance referred to in subsection (1), the payment constitutes, to the extent of that payment, a release by the insured person or his or her personal representatives of any claim that the insured person or the personal representatives or any person claiming through or under him or her or by virtue of the *Family Compensation Act* may have against the insurer and any other person who may be liable to the insured person or the personal representatives if that other person is insured under a contract referred to in subsection (1), but nothing in this subsection precludes an insurer from demanding, as a condition precedent to payment, a release to the extent of the payment from the person insured or the personal representatives or any other person. (3) The insurance mentioned in subsection (1) (a) is a first loss insurance, and any other automobile insurance of the same type available to the injured person or in respect of a deceased person is excess insurance only. (4) The insurance mentioned in subsection (1) (a) is excess insurance to any other insurance not being automobile insurance of the same type indemnifying the injured person or in respect of a deceased person for the expenses. (5) The insurance mentioned in subsection (1) (b) is excess insurance to any other insurance indemnifying the injured person or in respect of a deceased person for the expenses.	**It is proposed that this section be repealed and replaced with accident insurance provisions in the regulations consistent with the accident insurance provisions in the basic insurance, as set out in the regulations under the IMVA.**

Current Provision	Proposed Amendment / Reason
Recipients of benefits; release **169** (1) In every contract providing accident insurance benefits in respect of the death of or injury to an insured person arising out of an accident involving an automobile, the insurance applies in respect of (a) any person who sustains bodily injury or death while driving or being carried in or on or entering or getting on to or alighting from or, if not the occupant of another automobile, as a result of being struck by an automobile owned by the insured named in the contract in respect of which insurance of the class mentioned in paragraph (a) of the definition "automobile insurance" in section 1 is provided under the contract, and (b) the insured named in the contract and his or her spouse and any dependent relative residing in the same dwelling premises as the named insured who sustains bodily injury or death while driving or being carried in or on or entering or getting on to or alighting from or as a result of being struck by any other automobile that is defined in the policy for the purposes of the insurance. (2) If an insurer makes a payment under a contract of insurance to which subsection (1) refers, the payment constitutes, to the extent of such payment, a release by the insured person or his or her personal representatives of any claim that the insured person or the personal representatives or any person claiming through or under him or her or by virtue of the *Family Compensation Act* may have against the insurer and any other person who may be liable to the insured person or the personal representatives if that other person is insured under a contract of the same type as is specified in subsection (1), but nothing in this subsection precludes an insurer from demanding, as a condition precedent to payment, a release to the extent of the payment from the person insured or the personal representatives or any other person. (3) Subject to subsection (5), the insurance referred to in subsection (1) (a) is a first loss insurance, and any other automobile insurance of the same type available to the injured person or in respect of a deceased person is excess insurance only. (4) Subject to subsection (5), the insurance referred to in subsection (1) (b) is excess insurance over any other automobile insurance of the same type available to the injured person or in respect of a deceased person. (5) If a person is entitled to benefits under more than one contract providing insurance of the type referred to in this section, the person or his or her personal representative or any person claiming through or under him or her or by virtue of the *Family Compensation Act* may recover only an amount equal to	**It is proposed that this section be repealed and replaced with accident insurance provisions in the regulations consistent with the accident insurance provisions in the basic insurance, as set out in the regulations under the IMVA.**

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(a) one benefit, if the benefits under the contracts are of the same limit, or (b) the highest benefit, if the benefits under the contracts are not of the same limit.	
Insurer liable for payment **170** (1) If a person, entitled to benefits provided by insurance under sections 152, 168 and 169 or either of them, (a) is an occupant of a motor vehicle involved in an accident, the insurer of the owner of the motor vehicle must, in the first instance, pay the benefits provided by the insurance, or (b) is not an occupant of a motor vehicle but is struck by a motor vehicle, the insurer of the owner of the motor vehicle must, in the first instance, pay the benefits provided by the insurance, without prejudice to the rights of the insurer of the owner against any other person or his or her insurer. (2) Nothing in this section affects the operation of sections 168 (2) to (5) and 169 (2).	**It is proposed that this section be repealed consequential to the repeal of sections 152, 168 and 169.**
Demand for particulars of insurance **171** (1) If a person is injured or killed in an accident in British Columbia involving an automobile, that person or his or her personal representative may serve (a) a demand by registered mail on the owner of the automobile, or (b) a demand by registered mail on the insurer of the owner of the automobile, requiring the owner or insurer, as the case may be, to state in writing to the person making the demand whether or not that owner has insurance of the type referred to in section 168 or 169, or either of them, and, if the demand is made under paragraph (a), requiring the owner, if he or she has that insurance, to state the name of the insurer. (2) An owner or insurer who does not, within 10 days after receiving a demand made under subsection (1), comply with the demand commits an offence.	**It is proposed that this section be repealed consequential to the repeal of sections 152, 168 and 169.**
Rights of unnamed insured **172** Any person insured by but not named in a contract to which section 168 or 169 applies may recover under the contract in the same manner and to the same extent as if named in it as the insured, and for that purpose is deemed to be a party to the contract	**It is proposed that this section be repealed consequential to the repeal of sections 168 and 169.**

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and to have given consideration therefor.	
Payment into court **173** (1) If an insurer admits liability for insurance money payable under section 167, 168 or 169, and it appears that (a) there are adverse claimants, (b) the whereabouts of an insured person entitled is unknown, or (c) there is no person capable of giving and authorized to give a valid discharge for it who is willing to do so, the insurer may, at any time after 30 days after the date on which the insurance money becomes payable, apply to the court without notice to any person for an order for payment of the money into court, and the court may on the notice, if any, that it thinks necessary make an order accordingly. (2) The receipt of the proper officer of the court is sufficient discharge to the insurer for the insurance money paid into court, and the insurance money must be dealt with as the court orders.	**It is proposed that this section be repealed consequential to the repeal of sections 167, 168 and 169.**
Limitation of action **174** Every action or proceeding against an insurer under a contract in respect of insurance to which section 167, 168 or 169 applies must be commenced within the limitation period specified in the contract, but in no event must the limitation period be less than one year after the happening of the accident.	**It is proposed that this section be repealed consequential to the repeal of sections 167, 168 and 169.**
Effect of accident insurance **175** (1) If a person makes a claim for damages in respect of bodily injury or death sustained by the person or any other person while driving or being carried in or on or entering or getting into or alighting from, or as a result of being struck by, an automobile, he or she must furnish the person against whom the claim is made full particulars of all insurance available to the claimant under a contract referred to in section 152, 168 or 169. (2) If a claimant is entitled to the accident insurance benefits set out in the Schedule, payments paid to the claimant, or to which the claimant is entitled, under the Schedule constitute, to the extent of the payments paid to the claimant, or to which the claimant is entitled, a release by the claimant or the claimant's personal representatives of any claim that the claimant or the personal representatives or any person claiming	**It is proposed that this section be repealed consequential to the repeal of sections 152, 168 and 169.**

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through or under them or by virtue of the *Family Compensation Act* may have against any person liable to the claimant or the personal representative, or against that person's insurer. (3) If a claimant, entitled to the accident insurance benefits set out in the Schedule, receives payment from any person in respect of the same accident, there must be deducted from the amount of payment receivable by that claimant, other than a payment under the Schedule, a sum equal to the amount paid to the claimant, or to which the claimant is entitled under the Schedule.	
Terms of certain insurances **176** Subject to section 134 (1) and to the approval of the superintendent, an insurer may in a policy (a) provide insurance that is less extensive in scope than the insurance referred to in section 167, 168 or 169, and (b) provide the terms of the contract that relate to the insurance referred to in section 167, 168 or 169.	**It is proposed that this section be repealed consequential to the repeal of sections 167, 168 and 169.**
Other insurance **177** (1) Subject to section 156, insurance under a contract evidenced by a valid owner's policy of the kind referred to in section 1 is, in respect of liability arising from or occurring in connection with the ownership, use, or operation of an automobile owned by the insured named in the contract and within the description or definition of it in the policy, a first loss insurance, and insurance attaching under any other valid motor vehicle liability policy is excess insurance only. (2) Subject to sections 156, 168 and 169 and to subsection (1) of this section, if the insured named in a contract has or places any other valid insurance, whether against liability for the ownership, use, or operation of or against loss of or damage to an automobile or otherwise, of his or her interest in the subject matter of the contract or any part of it, the insurer is liable only for its rateable proportion of any liability, expense, loss or damage. (3) **"Rateable proportion"** referred to in subsection (2) means (a) if there are 2 insurers liable and each has the same policy limits, each of the insurers is liable to share equally in any liability, expense, loss or damage, (b) if there are 2 insurers liable with different policy limits, the insurers are liable to share equally up to the limit of the smaller policy limit, or	**It is proposed that subsection (1) be repealed consequential to the revised section 140, which clarifies that optional liability insurance is presumed to be an extension of basic liability insurance.** **It is proposed that subsection (2) be revised consequential to the repeal of sections 156, 168 and 169 to allow exceptions from the rule that insurance applies ratably to be set out in regulations.** ***Section 177 is amended*** ***(a) by repealing subsection (1), and*** ***(b) by repealing subsection (2) and substituting the following:*** (2) Subject to (a) the regulations, and (b) a provision in a contract in accordance with section 154 (1) if there is a contract and any other valid insurance, including another contract, that insures against the same loss, the insurer is liable only for its rateable proportion of any liability, loss or damage.

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to share equally up to the limit of the smaller policy limit, or (c) if there are more than 2 insurers liable, paragraphs (a) and (b) apply with the necessary changes and so far as is applicable.	
Subrogation and pro-rating **178** (1) An insurer who makes any payment or assumes liability for it under a contract is subrogated to all rights of recovery of the insured against any person and may bring action in the name of the insured to enforce those rights. (2) If the net amount recovered whether by action or on settlement is, after deduction of the costs of the recovery, not sufficient to provide complete indemnity for the loss or damage suffered, the amount remaining must be divided between the insurer and the insured in the proportion in which the loss or damage has been borne by them. (3) If the interest of an insured in any recovery is limited to the amount provided under a clause in the contract to which sections 164 and 165 apply, the insurer has control of the action. (4) If the interest of an insured in any recovery exceeds that referred to in subsection (3), and the insured and the insurer cannot agree as to (a) the solicitors to be instructed to bring the action in the name of the insured, (b) the conduct and carriage of the action or any matters pertaining to it, (c) any offer of settlement or the apportionment of it, whether action has been commenced or not, (d) the acceptance of any money paid into court or the apportionment of it, (e) the apportionment of costs, or (f) the launching or prosecution of an appeal, either party may apply to the court for the determination of the matters in question, and the court must make an order that it considers reasonable having regard to the interests of the insured and the insurer in any recovery in the action or proposed action or in any offer of settlement. (5) On an application under subsection (4), the only parties entitled to notice and to be heard are the insured and the insurer, and no material or evidence used or taken on the application is admissible on the trial of an action brought by or against the insured or the insurer.	**It is proposed that section 178 be repealed and replaced with a section that parallels section 25 of the IMVA, with necessary changes, so that the two pieces of legislation are consistent.** ***Section 178 is repealed and the following substituted:*** **Subrogation** **178** (1) On making or assuming liability for payment of insurance money, an insurer (a) is subrogated to and is deemed to be the assignee of all rights of recovery against any other person liable in respect of the loss, damage, injury or death of a person to whom, on whose behalf or in respect of whom the benefits or insurance money are paid or to be paid, and (b) may bring action in the name of the insured or in its own name to enforce the rights referred to in paragraph (a). (2) If money is recovered under subsection (1) and the burden of the loss is shared by the insurer and insured, the net amount, after deduction of the costs of recovery, must be divided between them in the same proportions as they bear the loss. (3) If the interest of an insured in any recovery is limited to the amount provided under a clause in the contract to which sections 164 and 165 apply, the insurer has conduct of the action. (4) If the insured's interest is not one described in subsection (3), and the insured and the insurer cannot agree as to (a) the solicitors to be instructed to bring the action in the name of the insured, (b) the conduct of the action or matters pertaining to it, (c) an offer of settlement or its apportionment, whether action has been commenced or not, (d) acceptance of money paid into court or its apportionment,

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(6) A settlement or release given before or after an action is brought does not bar the rights of the insured or the insurer, as the case may be, unless they have concurred in it.	(e) apportionment of costs, or (f) commencement or continuance of an appeal, either party may apply to the court for determination of the matters in question, and the court must make the order it considers reasonable having regard to the interest of both parties in a recovery in the action or proposed action or in an offer of settlement. (5) On an application under subsection (4), only the insured and the insurer are entitled to notice and to be heard, and material or evidence used or taken on the application is not admissible on the trial of an action brought by or against the insured or the insurer. (6) A settlement or release does not restrict the rights of the insured or the insurer, as the case may be, unless the insured or the insurer, as the case may be, concurred in it.
Discriminative rates **179** (1) In this section and in sections 180 to 188: **"automobile board"** means the British Columbia Automobile Insurance Board referred to in section 185, **"rating bureau"** means any association or body, whether incorporated or not, which sets or promulgates or assumes to set or promulgate rates of premium to be charged for contracts of insurance made by insurers which are members of the association or body.	**It is proposed that sections 179 to 187 be repealed, consistent with the policy decision not to regulate optional automobile insurance rates. All of the sections deal with rate regulation have been omitted from this paper in the interests of brevity.** ***Sections 179 to 187 are repealed.***
New Section	**It is proposed that a new section be added that allows an agency to be appointed as a statistical agency, for the purpose of collecting detailed claims loss and other data and insurers with the information needed to set optional automobile insurance premiums.** ***The following sections are added to Part 6:*** **Statistical information** **188.1** (1) The minister may enter an agreement with a person or agency to (a) compile aggregate information from the information provided by insurers in accordance with the regulations, and (b) make the aggregate information available to the superintendent, insurers and the public in accordance with the

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	regulations. (2) An insurer that enters into contracts must provide prescribed information respecting (a) contracts, and (b) claims made to the insurer and the costs of losses under contracts to a prescribed person or agency in the prescribed manner and subject to prescribed conditions. (3) The person or agency must not disclose the information provided by an insurer under subsection (2) except to the superintendent or as required by law. (4) An insurer to which subsection (2) applies must pay a prescribed amount to the person or agency for the purposes of this section.
New Section	**It is proposed that new regulation-making powers be added. The specific powers have not yet been drafted. The intention is that many of the regulations be based on and consistent with regulations under the IMVA. In some cases, the regulations may be able to be identical, except for minor changes required by the different terminology used in the two Acts (e.g. the IA uses "automobile" while the IMVA uses "motor vehicle and trailer"). Consideration is being given to establishing a set of joint regulations that apply under both Acts or other mechanisms intended to ensure consistency is maintained in the regulations over time.** **Note that the Statutory Conditions will now be in regulation. Because these need to be included in every contract, they are not good candidates for joint regulations and other mechanisms need to be sought to ensure the Statutory Conditions remain consistent with the relevant provisions in the regulations under the IMVA.**

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Definitions and interpretation **1** (1) In this Act: **"additional premium"** means an additional premium charged against an insured under section 35 and the regulations; **"applicant"** means a person who applies for insurance; **"automobile"** means a motor vehicle; **"automobile insurance"** means insurance (a) against liability arising out of (i) bodily injury to or the death of a person, or (ii) loss of or damage to property caused by an automobile or the use or operation of an automobile, or (b) against loss of or damage to an automobile and the loss of use of an automobile, and includes insurance otherwise coming within the class of accident insurance where the accident is caused by an automobile or the use or operation of an automobile, whether liability exists or not, if the contract also includes insurance described in paragraph (a) but does not include (c) insurance relating to (i) an automobile for which, or for the use or operation of which, a permit or licence is not required under the *Motor Vehicle Act,* or (ii) any operation, use or loss of use of an automobile excluded by order of the Lieutenant Governor in Council, or (d) reinsurance undertaken by one insurer for liability for loss or damage assumed by another insurer; **"basic premium"** means that portion of the premium that is based on criteria or classifications established under the regulations, but does not include an additional premium; **"benefits"** means the prescribed benefits; **"certificate"** means a certificate of automobile insurance issued under this Act or the regulations; **"contract of insurance"** means insurance provided by the corporation and evidenced by a certificate; **"corporation"** means the Insurance Corporation of British Columbia continued by the *Insurance Corporation Act*;	**It is proposed that Part 1 be renamed as "Part 1 – Universal Compulsory Automobile Insurance"** **It is proposed that the definition of extension insurance, which refers to ICBC optional automobile insurance under the IMVA, be repealed and that a definition of "contract of optional automobile insurance" be added. This will clarify that the IMVA applies only to basic or universal compulsory automobile insurance and that the IA Part 6 covers only optional automobile insurance.** **It is proposed that the definition of "motor vehicle action" be moved to Part 3 and the definition of "motor vehicle liability policy" be made consistent with the IA, since the term refers generally to both basic and optional third party liability insurance.** ***The heading of Part 1 is repealed and substituted by*** "Part 1 – Universal Compulsory Automobile Insurance". ***Section 1 of the Insurance (Motor Vehicle) Act, R.S.B.C. 1996, c. 231, is amended*** ***(a) by adding the following definition:*** **"contract of optional automobile insurance"** means a "contract" under Part 6 of the *Insurance Act*; ***(b) by repealing the definition of* "extension insurance",** ***(c) by repealing the definition of* "motor vehicle action",** ***(d) by striking out the definition of* "motor vehicle liability policy" *and substituting the following:*** **"motor vehicle liability policy"** means a policy or part of a policy of automobile insurance that evidences a contract insuring a person against liability arising out of bodily injury to or the death of a person or loss or damage to property caused by an automobile or the use or operation of it and includes a certificate issued under this Act and the regulations; ***(e) in the definition of* "plan" *by striking out*** ", and includes extension insurance", ***(f) in the definition of* "premium" *by striking out*** "or for extension

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Insurance Corporation Act; **"coverage"** means the right conferred on a person by this Act or the regulations to be indemnified against liability for, or compensated for, death, injury, loss or damages; **"driver's certificate"** means a certificate issued under this Act or the regulations to a person who, under the *Motor Vehicle Act,* may obtain a driver's licence, and the certificate may be part of the driver's licence or a separate document; **"extension insurance"** means automobile insurance that may be made available by the corporation under the regulations that is in excess of the limits, or reduces the deductible amount or otherwise supplements one or more of the coverages, in a prescribed universal compulsory automobile insurance plan; **"highway"** means a highway as defined in the *Motor Vehicle Act;* **"insurance money"** means insurance money as defined in the regulations; **"insured"** means an insured as defined in the regulations; **"licence"** (a) in relation to a driver or operator of a motor vehicle, means a licence or permit issued under the *Motor Vehicle Act* authorizing the holder of a licence of a designated class to drive or operate a motor vehicle of the category designated for that class, and includes a learner's licence, and (b) in relation to a motor vehicle or trailer, means a licence or permit issued in respect of a motor vehicle or trailer under the *Motor Vehicle Act* or the *Commercial Transport Act* or a licence or permit for a motor vehicle issued under any other Act; **"motor vehicle"** means a motor vehicle as defined in the regulations; **"motor vehicle action"** means an action brought in British Columbia in which damages are claimed for injury, death or loss of or damage to property that arises out of the use or operation of a motor vehicle or trailer; **"motor vehicle liability policy"** means a certificate issued under this Act evidencing a contract of automobile insurance in the form, and providing insurance against perils and for amounts, that are prescribed; **"owner"** means the person in whose name a motor vehicle or trailer is registered and licensed under the *Motor Vehicle Act* or the *Commercial Transport Act;* **"owner's certificate"** means a certificate issued under this Act or the regulations to an owner; **"plan"** means a plan of universal compulsory automobile insurance established by the corporation under this Act and the regulations, and includes extension insurance;	insurance", ***and*** ***(g) by repealing the definition of* "registration and licence".**

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"point penalties" means point penalties that may be recorded against the driving record of a driver under the *Motor Vehicle Act* and regulations, or under this Act and the regulations; **"premium"** means money paid or to be paid by an insured or by an applicant for insurance to the corporation for the issue to him or her of a certificate of insurance under a plan or for extension insurance; **"registration and licence"** means a registration, licence or permit issued under the *Motor Vehicle Act* or regulations in respect of a motor vehicle or trailer registered and licensed under and in accordance with that Act, and includes (a) a registration and licence issued under the *Motor Carrier Act* or regulations, or the *Commercial Transport Act* or regulations for the operation of a commercial vehicle or trailer or a permit issued under them, (b) a dealer's report of sale under section 5 of the *Motor Vehicle Act* for the operation of the motor vehicle described in the report, and (c) a special licence issued by the corporation under section 8, 9, 10, 38, 41 or 42 of the *Motor Vehicle Act* for the operation of the motor vehicle described in the licence; **"superintendent"** means the Superintendent of Motor Vehicles under the *Motor Vehicle Act;* **"trailer"** means a trailer as defined in the regulations; **"universal compulsory automobile insurance"** means universal compulsory automobile insurance as defined by the regulations. (2) The Lieutenant Governor in Council may by regulation include any kind or class of vehicle, as defined in the *Motor Vehicle Act,* within the definition of motor vehicle, and subject to this Act.	
New Section	**It is proposed that a new section be added clarifying the application of Part 1 of the IMVA to basic insurance but that the terms and conditions of basic liability insurance apply to extensions of that insurance under the IA.** **Application of this Part** **1.1** (1) Subject to subsection (2), this Part applies to the corporation in respect of its operation of a plan of universal compulsory automobile insurance as required under section 2 and does not apply to a contract of optional automobile insurance. (2) If a contract of optional automobile insurance under section 140 (1) of

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	the *Insurance Act* extends the limit of coverage of a specified certificate under this Act, the contract is subject to the terms and conditions of the certificate that are established by this Act and the regulations for the purposes of the extended insurance, except as to any exclusions provided in the contract of optional automobile insurance under section 140 (2) of the *Insurance Act*.
Corporation to engage in automobile insurance 2 If, under the *Insurance Corporation Act* and regulations, the Lieutenant Governor in Council authorizes the corporation to engage in the activity of automobile insurance and to operate a plan of universal compulsory automobile insurance, the corporation must (a) engage in automobile insurance in all its classes and operate a plan of universal compulsory automobile insurance set out in this Act and the regulations, and (b) provide any prescribed plan of extension insurance.	**It is proposed that this section be replaced with a section that applies only to basic insurance.** **Corporation to provide universal compulsory insurance** *X Section 2 is repealed and the following subsituted:* 2 If, under the *Insurance Corporation Act* and the regulations under that Act, the Lieutenant Governor in Council authorizes the corporation to operate a plan of universal compulsory automobile insurance, the corporation must operate the plan of universal compulsory automobile insurance in accordance with this Act and the regulations.

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Plan 7 (1) Subject to section 2 and compliance with this Act and the regulations, the corporation must administer a plan of universal compulsory automobile insurance providing coverage under a motor vehicle liability policy required by the *Motor Vehicle Act*, of at least the amount prescribed, to all persons (a) whether named in a certificate or not, to whom, or in respect of whom, or to whose dependants, benefits are payable if bodily injury is sustained or death results, (b) whether named in a certificate or not, to whom or on whose behalf insurance money is payable, if bodily injury to, or the death of another or others, or damage to property, for which he or she is legally liable, results, or (c) to whom insurance money is payable, if loss or damage to a motor vehicle results from one of the perils mentioned in the regulations caused by a motor vehicle or trailer or its use or operation, or any other risk arising out of its use or operation. (2) The corporation must not make a contract for extension insurance as provided in section 2 unless the insured (a) is, or is entitled to be, insured under a certificate of universal compulsory automobile insurance, (b) if a corporation, is incorporated or registered under the *Company Act*, and (c) pays the prescribed premium. (3) A contract providing for extension insurance must provide insurance excess to the limits of a plan of universal compulsory automobile insurance, or otherwise supplement the coverage in the plan. (4) The provisions of this Act and the regulations respecting universal compulsory automobile insurance apply to extension insurance.	**It is proposed that subsections (2) to (4) be repealed consequentially to eliminating application of the Act to optional insurance.** ***Section 7 (2), (3) and (4) is repealed.***
Application of other Acts **9** (1) The Lieutenant Governor in Council may, by regulation, provide that provisions of the *Insurance Corporation Act* or regulations do not apply to the plan established under this Act and the regulations. (2) Subject to subsection (3), and except as otherwise provided in this Act, the *Insurance Act* and the *Financial Institutions Act* do not apply to (a) automobile insurance issued by the corporation, or (b) the corporation in respect of automobile insurance. (3) The Lieutenant Governor in Council may, by order, direct that any provision	**It is proposed that subsections (2) and (3) be replaced with provisions that relate only to the IA and basic insurance. The *Financial Institutions Act* applies to insurers, not insurance policies, and its application to ICBC is governed by the *Insurance Corporation Act*.** ***Section 9 is amended*** ***(a) by repealing subsection (2) and substituting the following:*** (2) Subject to subsection (3), and except as otherwise provided in this Act, the *Insurance Act* does not apply to the plan.,

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of the *Insurance Act* or of the *Financial Institutions Act* applies to (a) automobile insurance issued by the corporation, or (b) the corporation in respect of automobile insurance.	***(b) by repealing subsection (3) and subsituting the following:*** (3) The Lieutenant Governor in Council may, by regulation, direct that any provision of the *Insurance Act* applies to the plan.
Combined forms and information **11** (1) Certificates and applications for insurance forms prescribed by the corporation may be incorporated in the appropriate application forms, certificates of registration, registration cards, licences, permits or windshield stickers prescribed for use or used under the *Motor Vehicle Act, Commercial Transport Act* or *Motor Carrier Act.* (2) The corporation may require an applicant for insurance or an insured person to provide the prescribed information, statements and reports relating to, or affecting, the operation of a plan. (3) The corporation may require every driver or owner of a motor vehicle that (a) is required to be registered and licensed in British Columbia, and (b) is involved in an incident out of which arises injury or death to a person or damage to property, to provide to the corporation prescribed information relating to the incident. (4) The corporation may require an insured to provide the prescribed notices, proofs of claim, proofs of loss, reports and statements, and to comply with any other prescribed methods of making and proving claims.	**It is proposed that this section be revised to clarify that ICBC can establish information requirements without having them prescribed by regulation – in the *Interpretation Act* "prescribed" is defined to mean by regulation. ICBC has not prescribed such information by regulation in the past.** ***Section 11 is amended*** ***(a) in subsection (1) by striking out*** "prescribed" ***and substituting*** "established", ***(b) by repealing subsection (2) and substituting the following:*** (2) The corporation may require an applicant for a contract of insurance or an insured person under the plan to provide information, statements and reports relating to or affecting the operation of the plan, in a form established by the corporation., ***(c) in subsection (3) by striking out*** "prescribed" ***and adding*** "in a form established by the corporation" ***after*** "the incident". ***(d) in subsection (4) by striking out*** "prescribed" ***in both places and adding*** "in a form established by the corporation" ***after*** "reports and statements" ***and*** "other methods of making and proving claims".
Proof of intoxication **13** (1) In an action, cause or proceeding in which this Act or the regulations and a plan are invoked and it is material to establish that a person using or operating a vehicle was doing so while under the influence of intoxicating liquor or drugs to an extent as to be for the time being incapable of the proper control of the vehicle, there must be received, as admissible evidence on the issue, proof that the person was convicted of an offence committed at the material time under section 253 or 254 (5) of the *Criminal Code,* whether or not that person (a) is a party to the action, cause or proceeding, (b) is a witness at the trial, or (c) has first been questioned as to whether he or she has been convicted of that	**No change is proposed but essentially the same provision has been added to the IA.**

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offence. (2) For the purpose of subsection (1), a certificate containing only the substance and effect of the conviction and purporting to be signed by the officer having custody of the records of the court in which the person was convicted or by the officer's deputy is on proof of the identity of the person convicted sufficient evidence of the conviction without proof of the signature or official character of the person by whom the certificate purports to have been signed.	
Costs incurred for damaged vehicle **15** (1) If a motor vehicle or trailer has been damaged as a result of an accident and has been delivered into the custody of the corporation with the consent of the owner or person in charge of the motor vehicle or trailer at the time of the accident or pursuant to the direction of a peace officer under the *Motor Vehicle Act*, the corporation has, unless the corporation is responsible for payment of those costs and charges, a lien on the vehicle for the amount of the costs and charges for removal, towing, care or storage of the motor vehicle or trailer and that amount is a debt owing by the registered owner to the corporation. (2) The corporation may give a written notice to the registered owner of the motor vehicle or trailer requiring the registered owner to pay the costs and charges referred to in subsection (1) and to remove the motor vehicle or trailer from the place where it is stored within 7 days from the date of receipt of the notice. (3) A notice under subsection (2) may be given by serving it personally on the registered owner or by mailing it to the registered owner's address as shown in the records of the corporation and, if mailed, it is deemed to have been received on the eighth day after the date of mailing. (4) If the registered owner does not pay the costs and charges owing to the corporation and remove the motor vehicle or trailer within 14 days after receiving a notice given under subsection (2), the corporation may, without further notice, offer the vehicle or trailer for sale by public auction or tender. (5) On the sale of a vehicle or trailer under this section, the corporation may deduct all costs and charges owing to it, including the costs of the sale, and must for 2 years after that hold any balance in trust for the owner of the vehicle or trailer and other persons having a registered interest in the vehicle or trailer and if the balance is unclaimed within the 2 years it becomes the property of the corporation. (6) If a vehicle or trailer offered by the corporation for sale by public auction or by tender is not sold, the corporation is deemed to be the purchaser of it for the amount of the costs and charges owing and the corporation may dispose of it as the corporation	**It is proposed that this section be repealed and re-enacted in the *Insurance Corporation Act* since it applies more broadly than basic insurance but it does not apply to private insurers. This provision applies only to ICBC because the situation arises in the course of ICBC's duties related to the administration of parts of the *Motor Vehicle Act*.** ***Section 15 is repealed.***

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considers appropriate. (7) When the corporation sells a vehicle or trailer or is deemed to be the purchaser of it by this section, the indebtedness of the owner to the corporation for the costs and charges referred to in subsection (5) in respect of the vehicle or trailer is extinguished.	
Appointment of agents **16** (1) The corporation may, in writing, appoint agents it considers necessary. (2) The corporation must not appoint an agent unless he or she holds or has applied for a licence under the *Financial Institutions Act* as an insurance agent for the place specified in the appointment. (3) Despite subsection (2), for the purpose of the plan, the corporation may appoint as an agent (a) a government agent, or (b) a person authorized in writing by the minister. (4) The provisions of the *Financial Institutions Act* regarding insurance agents do not apply to the persons appointed under subsection (3) of this section. (5) An agent must not have his or her appointment terminated without just cause. (6) The corporation, after consultation with an agent, may establish annually the commission and other remuneration to be paid to the agent. (7) An appointment of an agent made under this Act before September 27, 1977, that has not been suspended, cancelled or revoked, and a subsisting agreement made with respect to it, continue in force to the extent consistent with this section, until terminated by the corporation or the agent.	**It is proposed that this section be repealed and re-enacted in the *Insurance Corporation Act* asit relates to both basic and optional insurance, but only as provided by ICBC. The new section will be changed to clarify that subsection (5) applies only to basic insurance (universal compulsory automobile insurance). A transitional provision will also be required to replace existing contracts with agents, which cover both optional and basic insurance, with two new contracts, one for each line of business.** ***Section 16 is repealed.***
Forfeiture of claims **19** (1) If (a) an applicant for an owner's certificate, to the prejudice of the corporation, has falsely described the motor vehicle or trailer in respect of which the application is made, (b) an applicant for an owner's certificate or driver's certificate knowingly misrepresents or fails to disclose in the application a fact required to be stated in it, (c) an insured violates a term or condition of a plan, (d) an insured commits a fraud in respect of this Act, or (e) an insured makes a willfully false statement with respect to a claim under a plan, all claims by or in respect of the applicant or the insured are rendered invalid, and his or	**It is proposed that a new subsection be added giving the court the power to relieve against forfeiture, consistent with the provision in section 10 of the IA.** ***Section 19 is amended by adding the following subsection:*** (4) If (a) there has been imperfect compliance with a term or condition of a certificate as to the proof of loss to be given by the insured or other matter or thing required to be done or omitted by the insured with respect to the loss, and a consequent forfeiture or avoidance of the insurance in whole or in part, or

Current Provision	Proposed Amendment / Reason
her right and the right of a person claiming through or on behalf of or as a dependant of the applicant or the insured to benefits and insurance money is forfeited. (2) If a forfeiture would appear inequitable, the corporation may relieve a person affected by it from the forfeiture of all or any benefits or insurance money. (3) The corporation must relieve an insured person from the forfeiture of the benefits it considers equitable if he or she dies or suffers a loss of function of mind or body as a result of an accident that renders the insured person permanently incapable of engaging in any occupation for wages or profit.	(b) there has been a termination of the certificate by a notice that was not received by the insured owing to the insured's absence from the address to which the notice was addressed and the court deems it inequitable that the insurance should be forfeited or avoided on that ground or terminated, the court may, on terms it deems just, relieve against the forfeiture or avoidance or, if the application for relief is made within 90 days after the date of the mailing of the notice of termination, against the termination.
Limitation on recovery for acts of violence **19.1** If the dominant cause of any injury or death is the use of any weapon or any object, other than a motor vehicle or trailer, used as a weapon, (a) the corporation is not liable under this Act or the regulations, including, without limitation, under section 20, 21 or 24 or under the plan established under this Act and the regulations, to indemnify or to pay any benefit to or make any other payment to (i) the person using the weapon or object, (ii) the person suffering the injury or death, or (iii) a spouse, child, parent or personal representative of a person referred to in subparagraph (i) or (ii), and (b) the person using the weapon or object is not a designated defendant, as that term is defined in section 52, for the purposes of Part 3.	**No change is proposed but essentially the same provision is being added to the IA.**

Current Provision	Proposed Amendment / Reason
Third party rights **21** (1) Even though he or she does not have a contractual relationship with the corporation, a person having a claim against an insured for which indemnity is provided by an owner's certificate under a plan or part of a plan is entitled, on recovering judgment against the insured or settlement with the corporation, to have the insurance money payable under a plan or part of a plan applied toward his or her judgment or the settlement and toward any other judgments or claims against the insured covered by the indemnity; and he or she may, if a settlement is not made, on behalf of himself or herself and all persons having judgments or claims, maintain an action against the corporation to have the insurance money so applied. (2) For the purpose of this section, the corporation may at any stage compromise or settle the claim. (3) A creditor of the insured is not entitled to share in the insurance money payable under a certificate unless the creditor's claim is one for which indemnity is provided by that certificate. (4) No (a) assignment, transfer, surrender, cancellation, suspension, waiver or discharge of a certificate, or of a provision of a plan or part of a plan, or of an interest in it or of insurance money payable under it, made by the insured after the event giving rise to a claim under the certificate occurs, (b) act or default of the insured before or after that event in contravention of this Act, the regulations or a plan, or (c) contravention of the *Criminal Code* or of a law or statute of any province, state or country by the owner or driver of the motor vehicle designated in the certificate prejudices the right of a person entitled under subsection (1) to have the insurance money applied on his or her judgment or claim, or is available to the corporation as a defence to his or her action. (5) Despite subsection (4), if the limits of a contract of insurance that provides extension insurance in respect of the motor vehicle or trailer are in excess of the limits that apply to that motor vehicle or trailer under a plan or part of a plan of universal compulsory automobile insurance, the corporation may avail itself, against a person claiming under this section in respect of property damage, of any defence that the corporation is entitled to set up against the insured to the extent to which the limits of the insurance exceed the limits prescribed for the universal compulsory automobile insurance.	**It is proposed that this section be amended to be consistent with the new section 158.1 of the IA except that sections 158.1 (9) and (16) to (18) are not included as these provisions only apply to optional insurance.** ***Section 21 is amended*** ***(a) by repealing subsection (1) and substituting the following:*** (1) In this section **"claimant"** means a person who has a claim against an insured in respect of whom indemnity is provided by an owner's certificate. (1.1) A claimant is entitled, on recovering a judgment against the insured or a settlement with the corporation, to have the insurance money payable under the owner's certificate applied toward any judgment or claim against the insured covered by the indemnity. (1.2) If a settlement is not made, the claimant may, on behalf of himself or herself and all persons having judgments or claims against the insured covered by the indemnity maintain an action against the corporation to have the insurance money applied in accordance with subsection (1.1). ***(b) in subsection (4) by striking out*** "subsection (1)" ***and substituting*** "subsection (1.1)". ***(c) by repealing subsection (5),*** ***(d) in subsection (10) by striking out*** "from the judgment creditor" ***and substituting*** "from the claimant", ***and*** ***(e) by adding the following subsection:*** (15) An action must not be brought against an insurer under subsection (1.1) more than one year after the final determination of the action against the insured, including appeals, if any.

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(6) Without limiting section 30.1, if the corporation has paid an amount to a person under this section, by way of settlement or otherwise, that it would not otherwise be liable to pay, and has personally delivered or forwarded by registered mail to the last known address of the insured a demand for reimbursement of that amount, the insured is liable to reimburse the corporation that amount, and the corporation may enforce the right by action in court. (7) If the corporation denies liability to an insured under a plan or part of a plan, it may issue and serve a third party notice and be made a third party in any action to which the insured is a party and in which a claim is made against the insured by a party with respect to which it is or might be asserted that indemnity is provided under a plan or part of a plan, whether or not the insured has filed a defence in the action. (8) On being made a party under subsection (7), the corporation has the right to contest the insured's liability to any party claiming against the insured, and to contest the amount of any claim made against the insured, as if it were a defendant in the action, including, for that purpose, the right to (a) deliver a statement of defence to the claim of any party claiming against the insured, (b) deliver other pleadings, (c) have production and discovery from any party adverse in interest, and (d) examine and cross examine witnesses at trial. (9) If an insured agrees that the corporation would not, except for this section, be or become liable to make a payment in respect of a claim against the insured, he or she may at any time undertake to reimburse the corporation, by (a) giving a written undertaking to repay the corporation the amount paid by it, and (b) executing a consent to the payment by the corporation of that amount. (10) Subject to subsections (8) and (9), the corporation may, on payment of an amount under this section it would not otherwise be liable to pay, require an assignment of the judgment from the judgment creditor in a form registrable under the land title legislation, to the extent of that payment. (11) If the insured fails to dispute his or her liability to reimburse the corporation within 30 days after demand for reimbursement under subsection (6), in writing delivered to the head office of the corporation, the corporation is entitled to register the assignment under the land title legislation. (12) If the corporation has paid money in satisfaction of a claim, settlement or judgment under this section or by agreement under subsection (9), and the insured has not reimbursed the amount required under subsection (6) or (9), section 20 (12), (13) and (15) applies.	

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(13) If (a) a person obtains a judgment against an insured and is entitled to bring an action under subsection (1), and (b) the corporation admits liability to the insured under the plan but considers that (i) there are or may be other claimants, or (ii) there is no willing person capable of giving and authorized to give a valid discharge for payment, the corporation may apply to the court without notice to any person for an order for payment of the insurance money into court, and the court may so order, on the notice, if any, it considers necessary. (14) The receipt of the registrar or other proper officer of the court is a sufficient discharge to the corporation for money paid into court under subsection (13) and the money must be dealt with as the court orders on the application of any interested person.	

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Liability reduced **25** (1) In this section and in section 26, **"benefits"** means a payment that is or may be made in respect of bodily injury or death under a plan established under this Act, other than a payment pursuant to a contract of third party liability insurance or an obligation under a plan of third party liability insurance, and includes accident insurance benefits similar to those described in Part 6 of the *Insurance Act* that are provided under a contract or plan of automobile insurance wherever issued or in effect. (2) A person who has a claim for damages and who receives or is entitled to receive benefits respecting the claim, is deemed to have released the claim to the extent of the benefits. (3) Nothing in this section precludes the corporation from demanding from the claimant, as a condition precedent to payment, a release to the extent of the payment. (4) In an action in respect of bodily injury or death caused by a motor vehicle or trailer or its use or operation, the amount of benefits paid, or to which the claimant is or would have been entitled, must not be referred to or disclosed to the court or jury until the court has assessed the award of damages. (5) After assessing the award of damages under subsection (4), the amount of benefits referred to in that subsection must be disclosed to the court, and taken into account, or, if the amount of benefits has not been ascertained, the court must estimate it and take the estimate into account, and the person is entitled to enter judgment for the balance only. (6) If, for the purpose of this section or section 26, it is necessary to estimate the value of future payments that the corporation or other insurer is authorized or required to make under a plan or contract, the value must be estimated according to the value on the date of the estimate of a deferred benefit, calculated for the period for which the future payments are authorized or required to be made.	**It is proposed that this section be amended consequential to the removal from Part 6 of the IA reference to personal accident insurance.** ***Section 25 (1) is amended by striking out*** "and includes accident insurance benefits similar to those described in Part 6 of the Insurance Act that are provide under a contract or plan of automobile insurance wherever issued or in effect" ***and substituting*** "and includes accident insurance benefits that are provided under automobile insurance wherever issued and in effect".

Current Provision	Proposed Amendment / Reason
New section	**It is proposed that a new section be added, consistent with section 158 of the IA, clarifying how liability claims are to be defended when there is a dispute and there is more than one insurer. The proposed changes from IA section 158 have been marked for convenience.** ***The following section is added:*** **Defence if more than one contract** **25.1** (1) If a person is insured under the plan and one or more contracts ~~more than one contract~~ evidenced by a motor vehicle liability policy, whether the insurance is first loss insurance or excess, and a question arises ~~under section [145 (b)]~~ between an insurer and the insured or between the insurers as to which insurer must undertake the obligation to defend in the name and on behalf of the insured, whether or not any insurer denies liability under its contract, the insured or any insurer may apply to the court, and the court must give directions as may appear proper with respect to the performance of the obligation. (2) On an application under subsection (1), the only parties entitled to notice and to be heard are the insured and his or her insurers, and no material or evidence used or taken on such an application is admissible on the trial of an action brought against the insured for loss or damage to persons or property arising out of the use or operation of the automobile in respect of which the insurance is provided. (3) An order under subsection (1) does not affect the rights and obligations of the insurers in respect of payment of any indemnity under their respective policies. (4) If indemnity is provided to the insured under 2 or more contracts and one or more of them are excess insurance, the insurers must, as between themselves, contribute to the payment of expenses, costs and reimbursement ~~for which provision is made in section [145]~~ in accordance with their respective liabilities for damages awarded against the insured.

Current Provision	Proposed Amendment / Reason
Subrogation **26** (1) On making or assuming liability for payment of benefits or insurance money, the corporation (a) is subrogated to and is deemed to be the assignee of all rights of recovery against any other person liable in respect of the loss, damage, injury or death of a person to whom, on whose behalf or in respect of whom the benefits or insurance money are paid or to be paid, and (b) may bring action in the name of the insured or in its own name to enforce the rights referred to in paragraph (a). (2) If money is recovered under subsection (1) and the burden of the loss is shared by the insurer and insured, the net amount, after deduction of the costs of recovery, must be divided between them in the same proportions as they bear the loss. (3) If the interest of the insured referred to in subsection (1) is limited to loss of or damage to a motor vehicle or loss of its use, the corporation has conduct of the action. (4) If the insured's interest is not one described in subsection (3), and the insured and the corporation cannot agree as to (a) the solicitors to be instructed to bring the action in the name of the insured, (b) the conduct of the action or matters pertaining to it, (c) an offer of settlement or its apportionment, whether action has been commenced or not, (d) acceptance of money paid into court or its apportionment, (e) apportionment of costs, or (f) commencement or continuance of an appeal, either party may apply to the court for determination of the matters in question, and the court must make the order it considers reasonable having regard to the interest of both parties in a recovery in the action or proposed action or in an offer of settlement. (5) On an application under subsection (4), only the insured and the corporation are entitled to notice and to be heard, and material or evidence used or taken on the application is not admissible on the trial of an action brought by or against the insured or the corporation. (6) A settlement or release does not restrict the rights of the insured or the corporation, as the case may be, unless the insured or the corporation, as the case may be, concurred in it.	**It is proposed that this section be amended consequentially to limiting this Act to basic insurance, including the repeal of subsection (3), which applies only to optional insurance.** ***Section 26 is amended*** ***(a) in subsection (1) by adding*** "under a plan" ***after*** "payment of benefits or insurance money", ***(b) by repealing subsection (3), and*** ***(c) in subsection (4) by striking out*** "the insured's interest is not one described in subsection (3), and".

Current Provision	Proposed Amendment / Reason
Employers' reports 29 An employer of a person by or for whom benefits are claimed from the corporation must, whenever the corporation requests, provide to the corporation without delay a statement of that person's earnings in the form the corporation prescribes.	**It is proposed that this section be amended consequential to limiting this Act to basic insurance.** *Section 29 is amended by adding* ***"under a plan"*** after ***"for whom benefits are claimed from the corporation"***.
Payment to minor 32 (1) A payment of benefits or insurance money for or on behalf of a minor, or a mentally disordered person under the *Mental Health Act*, who does not have a committee, must be made to the Public Guardian and Trustee, to be administered as he or she considers advisable, and the Public Guardian and Trustee may make arrangements with other persons, societies or agencies for this purpose. (1.1) Subsection (1) applies also in respect of an adult who is incapable of making decisions about his or her financial affairs, business or assets and does not have a representative authorized under the *Representation Agreement Act* to make those decisions. (2) Subsection (1) does not apply to a payment of insurance money made for or on behalf of a minor as indemnity for the loss of, damage to or the loss of use of property.	**It is proposed that this section be amended consequentially to limiting this Act to basic insurance.** ***Section 32 (1) is amended by adding*** "under a plan" ***after*** "A payment of benefits or insurance money".
Classification of motor vehicles and basic premium 34 (1) The Lieutenant Governor in Council may, by regulation, establish classes and subclasses of motor vehicles, trailers and drivers of motor vehicles. (2) The basic premium payable for an owner's certificate is that established for the class or subclass of motor vehicle or trailer to which that owner's certificate is appropriate. (3) The basic premium payable for a driver's certificate is that established for the class or subclass of driver to which that driver's certificate is appropriate. (4) Basic premiums for universal compulsory automobile insurance must be established by regulation of the Lieutenant Governor in Council before the beginning of the period for which they are effective. (5) Basic premiums for extension insurance must be established by the corporation before the beginning of the period for which they are effective and for this purpose the corporation may establish classes and subclasses of motor vehicles, trailers and drivers of motor vehicles.	**It is proposed that subsection (5) be repealed since it only applies to optional automobile insurance, referred to here as "extension insurance."** ***Section 34 (5) is repealed.***

Current Provision	Proposed Amendment / Reason
Issue of certificate 36 (1) On payment of the basic premium and any additional premium assessed under section 35, and approval of the application by the corporation, the corporation must issue to the applicant the appropriate owner's certificate or driver's certificate. (2) An owner's certificate, driver's certificate and the applications for them must be in a form required by the corporation, and must be designed and constituted (a) to meet the interest of convenience and economy, and (b) to adequately identify the permit or licence under the *Motor Vehicle Act* or *Commercial Transport Act,* or a motor vehicle or trailer or driver's licence, permit or other authority to drive a motor vehicle under the *Motor Vehicle Act* to which the owner's certificate or the driver's certificate corresponds. (3) The corporation must provide for the issue and delivery of all motor vehicle liability insurance cards required under the *Motor Vehicle Act* by persons insured under owners' certificates but there may be printed on an owner's certificate under the heading "Motor Vehicle Liability Insurance Card" particulars in a form to meet generally the standards adhered to by the Superintendent of Financial Institutions for motor vehicle liability insurance cards issued under the *Insurance Act,* and the particulars so printed constitute a motor vehicle liability insurance card under and for the purpose of the *Motor Vehicle Act.* (4) A document purporting to be a certificate of insurance under this Act and a motor vehicle liability insurance card, or either of them, either alone or in combination with any permit or licence for a motor vehicle or trailer or their use or operation, or any driver's licence, permit or other authority to drive a motor vehicle that bears a signature purporting to be the signature of the general manager of the corporation, unless the contrary is shown, is deemed to be an owner's certificate, a driver's certificate or a motor vehicle liability insurance card issued under this Act to the person named in it. (5) A motor vehicle liability insurance card must not be issued unless the insurance evidenced in it meets the minimum requirements of this Act and regulations for a motor vehicle liability policy under the plan of universal compulsory automobile insurance. (6) Nothing in this section prevents the corporation from requiring owners of a class of motor vehicles or trailers to maintain proof of financial responsibility for those motor vehicles or trailers in excess of the limits prescribed by the plan of universal compulsory automobile insurance, and if the motor vehicle or trailer is licensed in British Columbia, that excess insurance must be obtained from the corporation in the form required by the corporation.	It is proposed that this section be amended by repealing subsection (6) since it is not used. *Section 36 is amended by repealing subsection (6).*

Current Provision	Proposed Amendment / Reason
Insurance condition precedent to licence **38** (1) Except for a motor vehicle or trailer exempted by the regulations, a permit of any kind and a licence, licence plate or decal for a motor vehicle or trailer or for their use or operation must not be granted, issued or renewed under the *Motor Vehicle Act* or *Commercial Transport Act*, unless at or before the time of application the applicant has applied to the corporation or its agent for and is entitled to an owner's certificate under this Act in respect of the motor vehicle or trailer for the term of the permit or licence, or part of that term as may be prescribed, and the applicant has paid (a) the premium prescribed for that owner's certificate, (b) any additional premium assessed by the corporation, and (c) any premium for excess insurance required under section 36 (6). (2) A driver's licence, permit or other authority to drive or operate a motor vehicle must not be issued or renewed under the *Motor Vehicle Act*, unless (a) at or before the time of application the applicant has applied to the corporation or its agent for and is entitled to a driver's certificate under this Act for the term of that licence or permit or part of that term as may be prescribed, and (b) the applicant has paid the premium prescribed for that driver's certificate and any additional premium assessed by the corporation. (3) If the corporation receives for registration a notice of transfer of a motor vehicle or trailer under section 17 of the *Motor Vehicle Act*, the corporation must refuse registration unless the transferee has paid the corporation (a) the premium or fee prescribed for the transfer, and (b) all money due under this Act or the regulations for every motor vehicle and trailer owned by the transferee and every owner's certificate issued to the transferee under this Act or the regulations	**It is proposed that this section be amended consequential to limiting this Part to basic insurance.** ***Section 38 is amended*** ***(a) in subsection (1) by repealing paragraphs (a) to (c) and adding*** "the premium for the owner's certificate", ***(b) in subsection (2) by striking out*** "prescribed" ***and*** "and any additional premium assessed by the corporation", ***and*** ***(c) in subsection (3) (a) by striking out*** "premium or".

Current Provision	Proposed Amendment / Reason
Alternate dispute resolution **44.1** (1) The Lieutenant Governor in Council may make regulations respecting mediation in motor vehicle actions including, without limitation, regulations (a) providing to a party to a motor vehicle action the ability to require the parties to engage in mediation and setting out when and how that ability may be exercised and prescribing any other results that flow from the exercise of that ability, and (b) respecting (i) the forms or procedures that must or may be used or followed before, during and after the mediation process, (ii) requiring and maintaining confidentiality of information disclosed for the purposes of mediation, (iii) the circumstances and manner in which a party to a motor vehicle action may opt out of or be exempted from mediation, (iv) the costs and other sanctions that may be imposed in relation to mediation, including, without limitation, in relation to any failure to participate in mediation when and as required or otherwise to comply with the regulations, (v) the mediators' fees and disbursements, and (vi) the qualifications required for, and the selection and identification of, individuals who may act as mediators in the mediation process contemplated by the regulations. (2) If and to the extent that there is any conflict between the regulations made under subsection (1) and any other enactment, including, without limitation, the rules of any court, the regulations made under subsection (1) prevail. (3) Regulations under subsection (1) may provide for a mediation process to be applicable to motor vehicle actions brought out of one or more court registries and may be different for motor vehicle actions brought out of different court registries. (4) Without limiting subsections (1) to (3) or any other enactment and without limiting the right of the corporation to use any method it considers appropriate to resolve any dispute, the Lieutenant Governor in Council may make regulations respecting dispute resolution procedures, including, without limitation, arbitration and mediation procedures, that the corporation may make available to any person who wishes to use them to resolve disputes in relation to any benefits or insurance money claimed or payable under this Act or the regulations or any other disputes in relation to the administration of this Act and the regulations.	**It is proposed that this section be repealed and re-enacted as section 52.1 since, similar to other provisions in Part 3, it applies generally to "motor vehicle actions" and not just to proceedings involving basic automobile insurance.** ***Section 44.1 is repealed.***

Current Provision	Proposed Amendment / Reason
Power to make regulations **45** (1) The Lieutenant Governor in Council may make regulations referred to in section 41 of the *Interpretation Act*. (2) Without restricting subsection (1), the Lieutenant Governor in Council may make regulations as follows: (a) establishing, amending and revoking plans of automobile insurance and plans of universal compulsory automobile insurance for the insurance inside and outside British Columbia of losses, damages, injuries or deaths arising out of the perils and risks attendant on or relating to the use, operation or ownership of motor vehicles and trailers the Lieutenant Governor in Council may designate; (b) establishing the terms, conditions and limits of insurance under any plan; (c) establishing classes and subclasses of drivers, by regions of British Columbia, or otherwise, establishing those regions, establishing classes of motor vehicles and trailers and prescribing the premiums payable by drivers and owners of motor vehicles according to the regions, or otherwise, and according to the classes; (d) designating those persons who are, or may be, insured under any plan, the benefits or insurance money payable to insured persons and the perils or risks for which insurance may be provided; (e) respecting the insuring of motor vehicles and trailers that are part of a fleet, or used for commerce or business, defining the meaning of "fleet" and specifying the circumstances in which vehicles must be insured as part of a fleet or as commercial or business vehicles; (f) prescribing the duration of the period of coverage provided under a certificate, or a certificate that comes within a prescribed class or subclass and permitting the corporation to specify the duration of the period of coverage in particular cases; (g) defining for the purposes of the regulations words not defined in this Act; (h) prescribing rights of salvage in favour of the corporation that may be considered necessary for the purposes of any plan; (i) adopting a system of classifying drivers provided for under another Act, or adopting or establishing a point penalty system classifying drivers according to the number, nature and kind of violations or offences committed by them in contravention of the *Motor Vehicle Act*, a municipal bylaw relating to the regulation of vehicular traffic, the *Criminal Code* or any similar law in another province, state or country relating to the operation of a motor vehicle, and, according to the system of classifying drivers or the point penalty system, assessing and levying basic or additional premiums under any plan against drivers at the times and under the terms and conditions considered appropriate;	**It is proposed that this section be amended to remove references to regulations related to optional automobile insurance. Work on the regulation making powers under the IA will also result in consequential amendments to the IMVA regulation-making powers, to allow for consistency to be maintained over time between the regulations under the two Acts.** *Section 45 (2) is amended* *(a) in paragraph (a) by striking out* "plans of automobile insurance and", *(b) in paragraph (i) by striking out* "and according to the system of classifying drivers or the penalty point system, assessing and levying basic or additional premiums under any plan against drivers at the times and under the terms and conditions considered appropriate", *(c) by repealing paragraph (p), and* *(d) by repealing paragraph (y).*

Current Provision	Proposed Amendment / Reason
(j) establishing a plan for payment by the corporation to any person sustaining loss from bodily injury or death, or damage to property, arising out of the use or operation of a motor vehicle where (i) the name of the owner or driver is not ascertainable, or (ii) the name of the driver is not ascertainable and the owner is not liable; the terms, conditions and limits of liability of the corporation under the plan and the duties and liabilities of the owners and drivers of motor vehicles respecting reimbursement of the corporation for the payments; (k) establishing and determining, with respect to any plan, the right of a person who would have a cause of action in British Columbia against the owner or driver of an uninsured motor vehicle to apply to the corporation for payment of damages and the terms and conditions and limits of liability of the corporation for payment of the claims for damages, and determining whether payment and the amount of payment are within the discretion of the corporation, and providing for the obtaining of consents to payment by those persons liable for the losses, damages, injuries or deaths, and the execution under seal or otherwise of agreements by those persons liable for the repayment to the corporation of amounts paid to claimants; (l) providing that the corporation is an agent of the owner of every uninsured motor vehicle for service of notice of process in an action in British Columbia arising out of the use or operation in British Columbia of an uninsured motor vehicle and the manner of giving that notice to the corporation and the defendant; (m) providing, with respect to a plan, for settlement and payment of a claim, judgment or unsatisfied portion of a judgment, for damages for injury to, or the death of, any person or loss of, or damage to, property caused in British Columbia by an uninsured motor vehicle owned or operated by a person in British Columbia, the terms and conditions governing payment and the maximum amount of money payable respecting any person, accident or occurrence; (n) determining the residence of persons for purposes of this Act, the regulations and any plan, and determining the rights of nonresidents to receive benefits or payments of any kind under a plan, or exempting nonresidents, as described in the regulations, from this Act or the regulations; (o) authorizing additional services and expenditures by the corporation on behalf of a person insured under an owner's certificate and providing that the corporation may, in the name and on behalf of any person insured by an owner's certificate, defend at its cost any civil action brought against the person by anyone respecting a loss, damage, injury or death for which the person may be liable and designating the terms and conditions governing the provision of additional services and the making of additional expenditures;	

Current Provision	Proposed Amendment / Reason
(p) providing for payment of premiums on terms and conditions as to interest or otherwise the corporation may prescribe; (q) respecting the combining of fees payable under the *Motor Vehicle Act* and the premium payable under this Act; (r) providing for and prescribing the conditions governing the refund or rebate of all or part of a premium paid to the corporation under this Act and any plan; (s) authorizing payment of doubtful or disputed claims by the corporation, including voluntary payments, if it is considered by the corporation to be in its interest and for the better administration of this Act, the regulations or the plan to do so; (t) respecting the implementation of any plan and the orderly transition of automobile insurance in British Columbia to universal compulsory automobile insurance; (u) providing for cases and circumstances that may arise in the implementation of universal compulsory automobile insurance for which no provision or no adequate provision is made in any Act; (v) prescribing the terms, conditions and requirements for the implementation and orderly transition of automobile insurance to the plan of motor vehicle year round licence and insurance renewal under the *Motor Vehicle Act* and regulations and, for those purposes, prescribing that the duration of coverage provided under an owner's certificate may be less or more than 12 months; (w) prescribing the deductible amount that applies to property damage claims made under section 24; (x) [Not enacted.] (y) requiring an insured to pay to the corporation a prescribed portion of any amount paid by the corporation to indemnify the insured against liability imposed on the insured for loss of or damage to property that arises out of the use or operation of a motor vehicle or trailer. (3) Regulations made under subsection (1) or (2) are deemed to be part of this Act. (4) Subject to section 12, the observance of terms or conditions established under subsection (1) or (2) is a condition precedent to a person obtaining benefits, insurance money or indemnification provided under a plan. (5) The Lieutenant Governor in Council may, by regulation, exclude or exempt a nonresident or class of nonresidents and a motor vehicle or trailer or class of them from the operation of all or part of this Act or the regulations, or all or part of a plan, on the terms and conditions the Lieutenant Governor in Council prescribes.	

Current Provision	Proposed Amendment / Reason
Part 2	
Sections Not in Force **47** to **51** [Not in force.]	**It is proposed that these sections be repealed since there is no intention to bring them into force.** ***Sections 47 to 51 are repealed.***
Part 3	***The heading of Part 3 is repealed and substituted by*** "Part 3 – Motor Vehicle Actions".
Definitions **52** In this Part: **"accident"** means an unintentional mishap occurring in British Columbia as a result of which a person suffers injury, death or loss of or damage to property that arises out of the use or operation of a motor vehicle; **"designated defendants"**, subject to section 19.1 (b), means, in relation to an accident, the following persons: (a) each owner of a motor vehicle involved in the accident; (b) each operator of or passenger in or on a motor vehicle involved in the accident and each person vicariously liable for that individual; (c) any other individual who, as a result of that individual's acts or omissions at the scene of the accident, has some involvement in the accident and each person vicariously liable for that individual, and, in relation to a claim made under section 20 or an action brought under section 24, includes the corporation; **"net income loss"**, in relation to a person who suffered loss of income as a result of an accident is, for any period, (a) if the person is a person referred to in section 2 (1) of the *Income Tax Act*, the gross income that the person lost in that period less the amount that would have been payable on that gross income for the following: (i) income tax under the *Income Tax Act*, as that Act read on December 31 of the calendar year before the calendar year in respect of which the net income loss is to be determined, calculated in accordance with the regulations and with reference to prescribed deductions and tax credits;	**It is proposed that the definition of "motor vehicle action" be moved from section 1 to section 52 since, with the movement of section 44.1 to Part 3, the term will now only be used in Part 3.** ***Section 52 is amended by adding the following definition:*** **"motor vehicle action"** means an action brought in British Columbia in which damages are claimed for injury, death or loss of or damage to property that arises out of the use or operation of a motor vehicle or trailer;

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(ii) income tax under the *Income Tax Act* (Canada) as that Act read on December 31 of the calendar year before the calendar year in respect of which the net income loss is to be determined, calculated in accordance with the regulations under, and with reference to deductions and tax credits prescribed under, this Act; (iii) premiums under the *Employment Insurance Act* (Canada), as that Act read on December 31 of the calendar year before the calendar year in respect of which the net income loss is to be determined, or (b) for any other person, the gross income that the person lost in that period less the following amounts calculated in accordance with the regulations under this Act: (i) the amount that would have been payable as taxes on that gross income according to the tax laws in the jurisdiction in which the person is liable to pay tax on income, as those laws read on December 31 of the calendar year before the calendar year in respect of which the net income loss is to be determined, calculated with reference to deductions and tax credits prescribed under this Act; (ii) the premiums or other amounts, if any, that would have been payable in respect of that gross income according to the laws in the jurisdiction in which the person is liable to pay tax on income, as those laws read on December 31 of the calendar year before the calendar year in respect of which the net income loss is to be determined, for a purpose similar or equivalent to that of the *Employment Insurance Act* (Canada).	
New section	**As suggested above, it is proposed that section 44.1 be moved to create a new section in Part 3 because it applies generally and not just to basic automobile insurance** ***The following section is added:*** **Alternate dispute resolution** **52.1** (1) The Lieutenant Governor in Council may make regulations respecting mediation in motor vehicle actions including, without limitation, regulations (a) providing to a party to a motor vehicle action the ability to require the parties to engage in mediation and setting out when and how that ability may be exercised and prescribing any other results that flow from the exercise of that ability, and (b) respecting (i) the forms or procedures that must or may be used or

Current Provision	Proposed Amendment / Reason
	followed before, during and after the mediation process, (ii) requiring and maintaining confidentiality of information disclosed for the purposes of mediation, (iii) the circumstances and manner in which a party to a motor vehicle action may opt out of or be exempted from mediation, (iv) the costs and other sanctions that may be imposed in relation to mediation, including, without limitation, in relation to any failure to participate in mediation when and as required or otherwise to comply with the regulations, (v) the mediators' fees and disbursements, and (vi) the qualifications required for, and the selection and identification of, individuals who may act as mediators in the mediation process contemplated by the regulations. (2) If and to the extent that there is any conflict between the regulations made under subsection (1) and any other enactment, including, without limitation, the rules of any court, the regulations made under subsection (1) prevail. (3) Regulations under subsection (1) may provide for a mediation process to be applicable to motor vehicle actions brought out of one or more court registries and may be different for motor vehicle actions brought out of different court registries. (4) Without limiting subsections (1) to (3) or any other enactment and without limiting the right of the corporation or an insurer to use any method it considers appropriate to resolve any dispute, the Lieutenant Governor in Council may make regulations respecting dispute resolution procedures, including, without limitation, arbitration and mediation procedures, that the corporation or an insurer may make available to any person who wishes to use them to resolve disputes in relation to any benefits or insurance money claimed or payable under this Act or the regulations or under the *Insurance Act* or regulations under that Act, or any other disputes in relation to the administration of this Act and the regulations.

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Transition	**It is proposed that the following transitional provision be included. Other transition provisions may also be required.** **Transitional Provisions** (1) The Lieutenant Governor in Council may make regulations the Lieutenant Governor in Council considers necessary or advisable for the purpose of more effectively bringing into operation the *Insurance Act* and the *Insurance (Motor Vehicle) Act,* as amended by this Act, and the amendments made by this Act, and to remedy any difficulties encountered in doing so. **Commencement** (1) Subject to subsection (2), this Act comes into force by regulation of the Lieutenant Governor in Council. (2) Section 146 (1) (b) and (2) of the *Insurance Act* is repealed effective April 17, 2006.